The New Brunswick ECONOMY 1976

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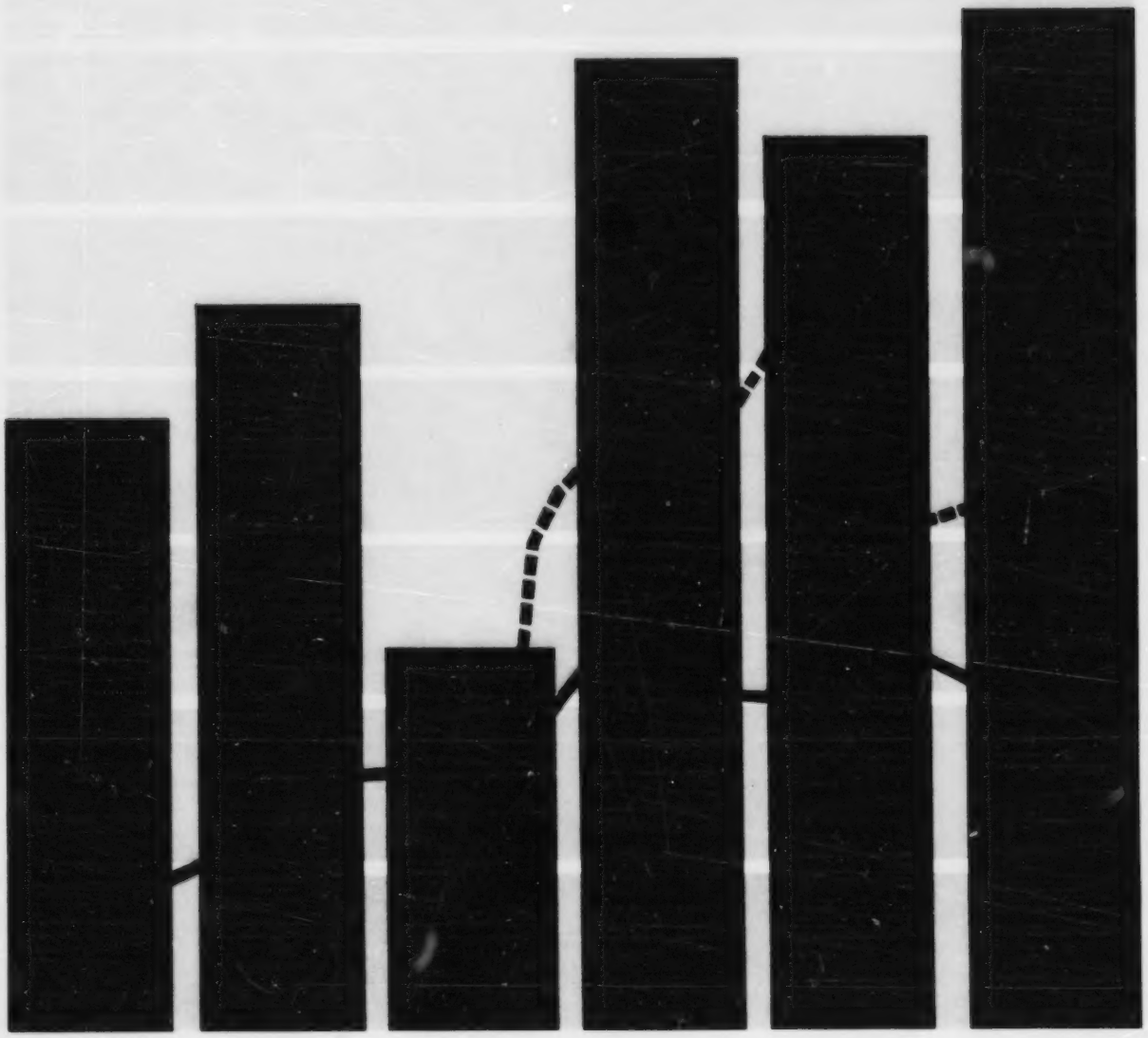
A Report to the Legislative Assembly



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T H E

N E W B R U N S W I C K

E C O N O M Y

1976

A Report to the Legislative Assembly

PREPARED BY

Office of the Economic Advisor

Department of Finance

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STATISTICAL SUMMARY
1975

	N.B. Value in millions of $ unless otherwise indicated	% Change 1975/1974 N.B.	% Change 1975/1974 CAN.
Output and Income			
GPP - CURRENT $	3,285	13.8	10.0
REAL	2,307	3.4	0.2
TOTAL PERSONAL INCOME	2,926	19.4	15.0
Demand Factors			
CAPITAL INVESTMENT	1,143	20.7	14.6
EXPORTS -TOTAL	752	3.4	1.9
-LESS ENERGY	719	10.2	0.1
HOUSING STARTS	(No.)6,983	19.1	4.2
RETAIL TRADE	1,295	13.5	11.5
Population and Labour Force			
TOTAL POPULATION (OCT. 75)	('000) 681	1.9	1.5
LABOUR FORCE (AVG. FOR 75)	('000) 254	4.1	3.7
EMPLOYMENT "	('000) 229	1.3	1.9
UNEMPLOYED "	('000) 25	31.6	34.7
UNEMPLOYMENT RATE	(%) 9.9	..	..
PARTICIPATION RATE	(%) 53.8	..	..
C.P.I. (1971 =100)	138.1	11.6	10.8
Industrial			
FISH LANDINGS	24	14.7	-11.7
MINERAL PRODUCTION	251	17.7	14.4
FARM CASH RECEIPTS	99	- 4.4	10.8
PULP AND PAPER PROD'N INDEX	241.2	-17.3	..
MANUFACTURING SHIPMENTS	1,700	4.2	5.7
BUILDING PERMITS	231	37.8	..
POWER GENERATION (Mkwhrs)	4,630	-16.6	..
CHEQUES CASHED	16,550	35.9	..

SUMMARY - 1975

1975 was a year of growth for New Brunswick despite little or no growth for Canada, and declines in real output in most other Western nations. Real G.P.P. increased by an estimated 3.4%, down from the 4.5% growth rate in 1974. Total output in current dollars reached $3.3 billion in 1975, or 13.8% above the 1974 total, but inflation accounted for over 10% of the advance.

The relatively strong output performance in the economy was reflected in personal income growth during the past year. The rate of increase of 19.4% was 4.4% higher than the change at the national level, and the differential in per capita incomes between New Brunswick and Canada narrowed considerably in 1975. The high income levels were due in most part to record increases in labour incomes, but government transfer payments also represented a significant contribution, especially in those areas where unemployment increased.

New Brunswick was able to achieve this level of growth (despite increasing unemployment) because of the relative strength in most of the demand components. Capital investment, exports, housing starts and retail trade all increased at considerably faster rates than national advances during the

year. The capital investment and housing (starts) sectors were particularly strong, with each registering about a 20% increase over the 1974 levels, compared to growth rates of 14.6% in capital investment and 4.2% in housing starts for Canada as a whole.

Inflation continued to be a problem in the New Brunswick economy in 1975 with an 11.6% rate of change in the Consumer Price Index. This was higher than the previous year's advance, and also higher than price increases at the national level for 1975.

Most of the strength in the industrial sectors in 1975 occurred in trade, services, mining, and fishing. Problems in the manufacturing and forestry sectors were exacerbated by the pulp and paper strike and a slump in the demand for lumber, while agriculture output declined slightly from the record 1974 level. The most serious declines were in transportation which suffered most from the world wide recession, and in electricity generation which experienced a second consecutive year of decline in output.

Unemployment levels for the year averaged 25,000, up from 19,000 in 1974 and the rate of 9.9% was one of the highest in recent years. The labour market problem was made more accute as a result of continuing high net in-migration, and increased participation rates which helped swell the labour force to a record 254,000. Thus, in an economy which

performed well by national and international standards, any slowdown, coupled with unusual supply pressures on the labour market, was bound to create severe unemployment problems.

The outlook for 1976 is mixed. While real growth is forecast at a rate slightly below the national increase, several areas could experience problems. Investment is not expected to perform nearly as well as in 1975, but incomes, consumer demand and exports are forecast to be strong. Manufacturing output will pick up and improved demand for lumber and pulp and paper will provide the major push. Other industrial sectors will also perform well, but in the trade and services sector, transportation will be as strong as others.

INTERNATIONAL

THE INTERNATIONAL ECONOMY

MAJOR DEVELOPMENTS AND PROSPECTS

While mid-1975 represented the low point of a precipitous economic decline for most major industrialized non-communist nations, the third and fourth quarters of the year marked the beginning of a gradual recovery from a recession that had plagued these countries for a period of roughly 1½ years. The performance in most of the key economic variables was even worse for the year as a whole than was anticipated at the beginning of 1975.

When the first signs of an upswing became evident by late spring and early summer, it was apparent that recovery would not follow traditional patterns of a turn-around in the business cycle. Instead of rapid growth and revival, most western economies have experienced only gradual increases in real output in the latter half of 1975. Governments have been rather cautious in their monetary and fiscal stances for fear of rekindling the inflation that took such a toll in the previous two years. Also, the attitudes of consumers and business reflect an uncertainty about the future course of economic activity. It is expected that growth throughout 1976 in the major industrialized nations will continue to be gradual, and the policies of their governments will remain only mildly expansionary.

The real value of output, or G.N.P., of the O.E.C.D. nations combined, suffered the worst decline in 1975 since the depression years. It is estimated that the decrease amounted to more than 2% - considerably worse than the mid-year forecast of 1.5%, or the January 1975 forecast of marginal growth. In fact, Japan was the only country to show an increase in 1975, although the rate was a meagre 1.3%.

The declines in output reflect the depth and severity of the recession as it reached the bottom in the first half of 1975. The United States and Germany led, with declines of 7.7% and 7.2% respectively, in the first six months of the year. However, the second half revealed a strengthening in all economies with only the United Kingdom having a decline in output for the period. The United States also led the recovery, with an estimated growth rate of over 8.0% for the last half of 1975. But despite the gains, the net result for the year for all O.E.C.D. nations was the worst output performance in the post-depression era.

The factors that created the low level of economic activity were primarily extensions of difficulties that arose in late 1973 and throughout 1974. Included among these problems are the low level of consumer demand, lagged effects of earlier restrictive monetary policies, trade and international monetary problems created by the oil price situation, and a continuation of high inflation and unemployment rates.

PERCENT REAL GNP GROWTH ACTUAL AND ESTIMATED

O.E.C.D. AREA

1974 To 1976

	Average 1950-60 to 1972-73	From Previous Year 1974	1975[1]	1976[2]
Canada	5.1	2.8	-1.0	4.3
United States	4.2	-2.1	-3.0	5.8
Japan	10.9	-1.8	1.3	4.3
France	5.9	3.9	-2.0	3.0
Germany	4.9	0.4	-3.8	3.3
Italy	4.6	3.2	-4.5	1.5
United Kingdom	3.3	0.1	-2.3	0.0
Total Major Countries	5.5	-0.6	-2.3	4.3
Total O.E.C.D. Areas	5.5	-0.1	-2.0	4.0

Source: O.E.C.D. Economic Outlook, December, 1975.

[1]It should be noted that more recent statistics for 1975 indicate a decrease of only 2% in the U.S. and less than 1% in Canada.

[2]American and Canadian forecasts for 1976 foresee slightly higher real growth rates in their respective countries than does O.E.C.D.

As a result, the gap between actual and potential output in the O.E.C.D. area reached enormous proportions by mid-1975, and it is expected that most countries will not approach potential output growth for at least two years.

The outlook for 1976, according to O.E.C.D. forecasts, shows real output for all countries growing at about 4% for the year, with the major strength occurring in the first half, followed by six months of growth at rates slightly lower, except in Japan, where the momentum is expected to increase during the latter part of 1976. Growth rates in Europe are forecast to be lower than those in North America or Japan, reflecting a delayed entry into the recovery phase of the cycle.

1975 also marked a significant re-adjustment period for trade balances of the O.E.C.D. countries. Following a massive deficit on current account of over $33 billion in 1974 for all O.E.C.D. countries, the deficit in 1975 was reduced to about $6 billion. In fact, for the first half of the year, there was an overall surplus position, but the last six months saw a return to the deficit position. Much of the change came from surpluses in the United States and Germany, with Italy, the United Kingdom and Japan decreasing their current account deficits by large amounts. However, the improvement in the current account balances of

GNP DEFLATORS (ACTUAL AND ESTIMATED)

MAJOR O.E.C.D. COUNTRIES

1974-1976

	Average 1959-60 to 1972-73	1974	1975	1976
Canada	3.5	13.8	9.5	9.3
United States	3.0	10.3	9.0	6.8
Japan	5.3	21.1	7.0	5.5
France	4.7	11.1	12.0	10.5
Germany	4.0	6.8	8.0	4.0
Italy	4.9	16.9	19.0	12.5
United Kingdom	4.7	12.5	26.3	16.3
Total - 7 Major Countries	3.9	12.2	10.5	7.5

Source: O.E.C.D. Economic Outlook, December, 1975

O.E.C.D. countries came about as a result of general weaknesses and a large drop in total trade rather than from strength in their economies.

Consequently, while total exports of member countries fell during the year, imports declined even more, allowing the 1974 deficit to be reduced during 1975. Low demand levels, not only for oil, but for a broad range of commodities was the major factor in the decline in world trade. However, the gradual improvement during the latter part of the year stimulated demand in all countries, and as a result imports increased significantly: it is expected that this trend will continue throughout 1976, with the total current account deficit increasing to $17.5 billion for the year. The United States, Germany, the Netherlands and the Benelux countries are expected to have surplus current account balances, while some improvement will be realized in the deficit positions of countries such as Italy and the United Kingdom. Much of course will depend on the strength of the recovery in the United States, Japan and Germany and their ability to absorb purchases from other member countries.

There was some success in dealing with prices in most O.E.C.D. countries compared to the previous year. In terms of the GNP price deflator, the inflation rate declined to a 10.5% increase in 1975 compared with 12.2% for all O.E.C.D. countries in the previous year. Only three countries - France, Italy and the United Kingdom recorded double digit

rates during 1975, and for them this represented an increase to record levels, while for others there was a reduction. Japan, with a 7% increase had the lowest rate of increase in the price deflator, while the United Kingdom was the highest among the major countries, at 26.3%. The outlook for 1976 is that there will be a lower rate of increase in the price deflator in all major countries.

The rate of increase in consumer prices in 1975 was 10% for all countries, down from a 13.6% increase in 1974. In 1975, the United States and Germany were the only major countries to experience lower than double digit inflation levels, while the United Kingdom and Italy recorded the highest rates of increase in consumer prices. Further declines in the inflation rate are forecast for 1976, with the annual increase for the year for all O.E.C.D. countries expected to be around 8.3%. Of the major countries, only Italy, France and the United Kingdom will remain in the double digit category, although all O.E.C.D. nations will have levels lower than for 1975. Germany is expected to be the lowest with a rate of 4.0% for the year.

While inflation subsided somewhat during the year, the recession produced the highest unemployment levels since the depression in almost all O.E.C.D. countries. The 15 million unemployed represents a level more than double that at the peak of the business cycle. Further, the situation is expected to improve only marginally throughout 1976 in spite of the gradual improvement in

output forecast for the United States, Canada and Japan. The European countries will experience declines in employment for the year as a whole, and unemployment will move upwards, but level off towards the end of the year in the United States and Canada. Much of the output gain will come about through increased productivity rather than increasing employment.

POLICY IMPLICATIONS

Despite evidence of recovery, most nations are aware of the dangers of overstimulation and as a result have been following a cautious path with respect to easing of fiscal and monetary policies. Indeed, some countries such as Italy and the United Kingdom with high rates of inflation and large current account deficits may hold back on expansion for a longer time than others, in spite of the recovery. The United States, Germany, Japan and France have all undertaken tax cuts and/or expenditure policies geared to stimulate domestic demand and to increase investment activity. Further, monetary restrictions have been eased somewhat and it is expected that there will be additional changes in monetary policy, but of a slight and gradual nature.

Some countries may experience some balance of payments difficulties in the coming year. This fact, combined with any increase in inflation resulting from oil price increases

will tend to restrict the rate of growth in the recovery period. Certainly, most countries are still concerned with the problems of inflation, and price or income controls have come into existence in Canada, France, Denmark, Iceland and Norway. Other countries such as the United States and Germany will be using tax cuts to stimulate domestic demand, while France and Japan will attempt to bolster public and private investment through a series of selective measures. Some of the smaller countries will be having balance of payments difficulties and will "wait" for export demand in the larger nations to stimulate output growth while at the same time they may have to institute restrictive policies in order to "cure" the payments problem. The United Kingdom and Italy will wait longer than others in easing restrictive fiscal and monetary policies because of the high rates of inflation and trade problems in those countries. In summary then, economic policies for most O.E.C.D. countries will be midly expansionary. Potential growth will not be achieved, nor will the O.E.C.D. countries return to the 1972-1973 growth path for a number of years.

UNITED STATES - OUTLOOK

There is little doubt that the major factor in the direction of the economies of the industrialized western world has been the performance of the American economy,

and this is even more true for Canada and for the province of New Brunswick than for most other parts of the world. Despite a record 13.2% growth in the third quarter and a respectable 5.4% in the last quarter, 1975 was the worst post-war year for the United States, with real G.N.P. declining 2% on the year as a whole. The recession bottomed out in the spring, and the rise in domestic demand, coupled with a decline in the massive inventories previously accumulated, pushed the economy into the early stages of recovery. Nevertheless, the United States economy, like other O.E.C.D. countries, continued to experience extremely high unemployment rates, with a peak of over 9% in May of last year.

Other factors showed a distinct improvement. There was some success in combatting inflation, with the rate of increase for 1975 at around 8%, and the current account balance was in a surplus position of $11.5 billion for the year. Further, there was a distinct moderation in interest rates, even though there were signs of an increase again towards the latter part of the year; but it is expected that the Federal Reserve Bank will moderate its monetary stance somewhat from a slow annual growth in the money supply of 2% to between 5% and 7.5%.

Many smaller countries are depending to a large degree on the success of the United States economy together with Germany and Japan. These countries cannot generate the

amount of domestic demand required to stimulate growth, and therefore export sales to the larger nations will play a large part in their success in the recovery stages of the business cycle. The growth of the United States economy in turn will depend mainly on the strength of domestic demand. Preliminary indications suggest that retail sales will rebound, partly buoyed by tax cuts in 1976 and a return of some confidence in the household sector. It is forecast that automobile sales will increase to about 9.5 million units and housing starts will reach a level of 11.3 million. But there is a general expectation that sales of consumer durables will also pick up and provide a stimulus to the recovery.

Business investment could pick up if the credit situation is eased slightly and interest rates are kept below the 1974 levels. But much also depends on the attitude of the enterpreneur to the current recovery. If the typical businessman begins to place more confidence in the longevity of the upswing in the cycle, there most certainly will be a gradual increase towards the end of 1976 in capital formation.

Based on these assumptions about consumer and business attitudes and reactions, and a slight easing of the money supply, it is expected that real G.N.P. will increase by slightly more than 6% in 1976. Exports will increase, but domestic demand will increase faster, bringing the current account surplus down to $5.3 billion from the 1975 level of

$11.5 billion; the inflation rate would slow to an annual rate of 6% to 7%; and corporate profits are forecast to be between 20% and 30% higher than in 1975. The factors that could have an adverse effect include: an unexpected increase in oil prices; sluggish consumer demand; continuing restrictive monetary policies; high wage demands; and major financial failures such as that occurring in New York City in 1975.

No matter what happens with respect to output, inflation, trade or investment, the picture for unemployment will brighten only marginally. Almost all of the increases in output will be productivity gains through more efficient use of currently underemployed resources. Consequently, the unemployment rate will fall to about only 7.7%, and the gap between potential and actual growth of the economy will decrease gradually over the next few years.

WESTERN EUROPE

The outlook is mixed for countries in Europe, although all will experience some improvement over the recession period of 1974-1975. Germany is expected to lead with a real growth in G.N.P. of 3.3% for 1976, while the United Kingdom and Italy will show little growth or none at all. Germany is also forecast to have the lowest rate of inflation

and one of the highest rates of growth in export sales. The inflation rate will vary between 4.0% in Germany and 16.3% in the United Kingdom. Many parts of Europe are not forecast to experience any major unswings until the latter half of 1976.

JAPAN

The rate of growth in the Japanese G.N.P. in 1975 was only 1.3%, although that was the only positive rate for all major O.E.C.D. countries during the past year. The forecast for 1976 is that real output will increase by about 4.3%. The G.N.P. deflator is forecast to increase by only 5.5% but consumer price performance will not be as good as in the United States or Germany. However, both the deflator and the C.P.I. will be under the double digit rates experienced over the past two year. High levels of domestic demand will stimulate imports and the trade deficit is expected to increase even though exports will grow by a significant amount. As in other nations, unemployment is forecast to remain at relatively high levels (by Japanese standards) throughout most of 1976.

CANADIAN

THE CANADIAN ECONOMY

Although in 1975 the Canadian economy did not escape the effects of world wide recession that began during 1974, the length and severity of the recession were less pronounced in this country, especially when compared to the situation in the United States. The recession did not begin in Canada until the last quarter of 1974, (even though the previous three quarters of that year did not show significant growth), and the upswing became noticeable by the second quarter of 1975. Further, the decline in economic activity throughout this difficult six months was far less pronounced than in the United States, Germany or France. Japan was the only one of the major O.E.C.D. nations that had a better record throughout that period. Part of the reason for the relative strength of the Canadian economy during the latter part of 1974 and the first half of 1975 arose from the fact that domestic demand did not deteriorate to the same extent as in other countries.

However, mid-1975 marked the beginning of the upturn, and the gains in the United States were significantly greater than the growth in the Canadian economy during the initial stages of the recovery. Further, inflation rates were consistently higher throughout 1975 in Canada, and the labour force continued to be plagued with extremely high unemployment levels. Towards

the end of 1975, inflation seemed to slow slightly, and December marked the lowest monthly increase in the C.P.I. since 1972. However, unemployment remained high. As a consequence of the upheavals created by rising prices, the Government of Canada introduced its Anti-Inflation program in October. But the effects of the program were minimal during the latter months of the year, and significant results in terms of the program's impact on the C.P.I. are not expected to accrue until the latter half of 1976.

Thus, the two major economic events in the Canadian economy in 1975 which will set the stage for developments for the next few years were: (1) the beginning of recovery from the worst recession since the 1930's and (2) the imposition of price and wage guidelines, which if successful, will affect all aspects of the economic system.

The outlook for 1976 is that the national economy will continue into recovery, but that significant persistent problems of inflation and unutilized capacity will remain.

OUTPUT

In terms of real output growth in Canada during 1975, the year can be divided into two distinct periods. Most of the first half of the year represented the low point of the recession, and for that period real G.N.P. declined at the

fastest pace in recent decades. The remainder of the year was characterized by gradual recovery in real output.

In the first quarter of 1975, real G.N.P. declined at an annual rate of 4.4% following a decrease of 1.2% in the fourth quarter of 1974. During the second quarter of 1975 recovery began to take effect with a small 2.0% growth at annual rates in that period. The third quarter showed more positive signs of recovery, with a 4.0% increase, (this however, was much smaller than the spectacular record rate of 13.2% in the U.S.); and estimates for the fourth quarter suggest growth at an annual rate of 6.0%. As a result, the estimated total real G.N.P. in 1975 is marginally lower than the 1974 output level, by about 0.2%, which is a considerable reduction from earlier forecasts of a 1% to 3% real growth. But aside from Japan, this was the best performance among the major industrialized non-communist nations in 1975.

It is expected that the growth in real G.N.P. will continue to improve at rates lower than historical trends in the recovery phase. For 1976, the rate of increase is therefore forecast to be between 4.5% and 6%.

DEMAND

The major factors keeping Canadian G.N.P. from falling at prevailing international rates were the strengths of consumer and government expenditure, given the recessionary conditions; and secondly, the high level of government and business investment. On the other hand, the decline in the volume of exports, a smaller decline in imports, large inventory run-downs, and a reduction in private residential investment all restricted output growth, especially during the first half of the year.

(1) Consumer Expenditures

The rate of growth in real consumer spending in 1975 was estimated at 3.1%, down from the previous year's increase of 4.2%. The strength in the consumer sector was fairly well distributed throughout the year, except for the third quarter when there was a 10.4% increase at annual rates. The last quarter growth is expected to be less than half that amount. Most of the strength during the past year was in automobiles and semi-durable goods, with non-durables and services showing marginal increases over the period.

It is probable that the phenomenal increase in auto sales in the latter part of the year will be short lived, since these were, in large part, accounted for by sales to

Ontario residents, stimulated by a tax rebate for car purchases to the end of the year. This development, combined with general strength throughout the year, produced a considerably better automobile sales record than in the United States, where 1975 was one of the worst years on record.

With a continuation of a high savings rate and a cautionary attitude in 1976, consumer spending is expected to provide only a marginal increase over 1975 levels. Consumer durables associated with increased housing starts should provide a large part of the total growth.

(2) Capital Investment

Government and business investment were among the stronger demand components for the year. However, this unusual rate of increase trailed off significantly towards the end of the year.

Investment in housing, on the other hand, was at extremely low levels during the first half of the year with the first and second quarters at least 25% below the comparable period of 1974. The third quarter, however, provided a complete turnaround with a 60% increase at an annual rate, in residential construction, while fourth quarter estimates show a more moderate increase of 15.2%. The net result is that investment in housing was down over the year by 12.7%, even though the 231 thousand dwelling starts exceeded the

government objective of 210 thousand. Recent initiatives by the federal government to bring almost $1 billion more of private funds into the mortgage market should stimulate further growth, although high mortgage rates will deter some prospective buyers.

Except for residential construction the investment picture for 1976 is bleak. With government restraints and a decline in intentions in the business community, capital investment will not be a major growth component, especially in view of continuing excess capacity.

(3) Government Spending

For 1975 as a whole, the strongest component of domestic demand was the government sector. Spending of all governments increased by 4.9% over 1974, but the larger proportion of the increase was during the first half of the year, which reflects the impact of government programs such as unemployment insurance during a recessionary period.

During the latter part of the year, the rate of spending declined, and the concern of most provincial governments, as well as the federal, with restraining expenditures will likely prevent this sector from providing the main impetus in domestic demand in the near future. For 1976, total government spending, in real terms, will increase only marginally.

(4) Inventories

The rate of inventory reductions which began in the second quarter, picked up momentum and peaked in the last quarter, providing a significant drag on the economy in 1975. Despite the massive rates of inventory liquidation, output growth was positive in the last three quarters. Buildups in inventories are not expected to recur until the end of 1976 or the beginning of 1977. For 1976, then, inventory adjustments will probably have a neutral effect on the rate of growth in output.

(5) Foreign Sector

The nation's trade balance and current account deficit continued to deteriorate through 1975. The merchandise trade deficit is estimated at $943 million in 1975, down from the surplus of $1,020 million in 1974. Three main factors during the year affected the trade balance: (1) The slump in the world economy brought drastic reductions in Canada's exports (8% in volume), while stronger domestic demand in this country prevented imports from falling as fast (a decrease of only 3.8% in volume). There was a general decline in exports of almost all commodity groups except for automobiles and wheat; (2) A decline in exports of oil and gas to the United States and an increase in imports accounted for about $1 billion of the estimated current account deficit of $4.6 billion;

(3) Canada's competitive position was eroded through increased prices and lower productivity.

However, improving economic conditions in the United States and Japan in 1976, are expected to provide a stimulus to export growth, and external demand will become a major component of G.N.P. advances. Imports, on the other hand, will grow at a more moderate rate than in recent years.

PRICES

The high rate of price increases continued in Canada throughout 1975, despite a considerable reduction in the rate in the United States and other countries. However, it would appear that in 1975, a greater proportion of the inflation in the country was imported than in previous years. While the rate of increase in the price of Canadian exports fell from 26.9% in 1974 to 11.0% in 1975, the increase for imports declined from 19.0% in 1974 to 15.3% in 1975.

Nevertheless, the rate of inflation revealed by the G.N.E. price deflator is estimated at 10.2% in 1975, down from 13.8% in 1974. Noteable among some of the components in 1975 was a 12.3% increase in government costs, a 16.3% increase in residential construction and a 12.7% increase for non-durable consumer expenditure.

Despite the slowdown in the G.N.E. price deflator, the rate of increase in the consumer price index at 10.8%, was in effect unchanged from the record high of 10.9% in 1974. It should be noted however, that the index in December, 1975 showed the smallest increase since 1972, mainly because of the more moderate rise in food prices.

LABOUR

The increase in unemployment coincided with the beginning of the recession in Canada in the third quarter of 1974 and continued unabated throughout 1975. The first quarter rate was 6.9% and it increased until the third quarter when it leveled off at about 7.3%.

Nevertheless, the employment picture for the year was considerably brighter than early forecasts. The 1.8% increase was triple the forecast growth rate at mid-year; but the labour force grew even faster, at 3.7% for 1975. There appears however, to be a slowing down in the rate of growth of the labour force, since the 1974 growth was 4.2% and the 1975 participation rate increased slower than in the past few years. This situation has eased some of the pressures in the labour market; otherwise the unemployment rate could have been well above the 8% level. As bad as the labour situation was during the year, unemployment rates were well below those in the United States.

The unemployment situation is made more intractable by the existence of a significant amount of underemployment. Productivity declined by 3.4% in 1975, and this slack must be taken up before significant gains can be made in reducing the numbers of unemployed.

Despite increasing unemployment, labour wage settlements during the year showed little moderation over the previous year, and there continued to be some major industrial disputes.

INCOMES

Although the rate of increase in labour income slowed from 16.4% in 1974 to 13.5% in 1975, the growth rate in disposable income fell from only 16.0% to 15.0%. Part of the reason for the relative stability of disposable income was the $800 million in retroactive tax cuts in the second quarter. Buoyed by high average salaries, increased transfers and tax cuts, the recession in the first part of the year did not affect incomes. As a result, domestic demand fell off only slightly, and the small decline was enough to create a savings rate which was among the highest in recent years.

However, 1975 was not a particularly good year for corporate profits. During the first quarter there was a decline of 16.4% at annual rates, and the peak was in the third quarter when the increase was 24.8%. The net result for the year was a decline of 4.3% over 1974.

INTEREST RATES AND MONEY SUPPLY

For most of 1975 the Bank Rate remained at 8.25%, down from a high of 9.25% in October, 1974. As a result of the government's attempt to stimulate a declining economy, the rate was lowered in November, 1974 and a further reduction occurred in January, 1975. However, in September, 1975, the rate was increased again to 9.0%, reflecting concern with increasing inflation during the third quarter of the year. The prime rate of commercial banks moved in the same direction but the magnitude of the change was considerably larger. From an abnormally high rate of 11.5% in October, 1974, the rate fell several times and remained at 9.0% from March through August. But in response to the Bank of Canada's signal in September, the rate moved slightly higher to 9.75%. Throughout 1975, the differential between the Bank Rate and the chartered banks' prime lending rate tended to be smaller than has been the case in the last five years.

The rate of decline in United States interest rates was much faster, resulting in a large differential between Canadian

and American rates. Consequently, there were large capital inflows throughout 1975.

The biggest concern among federal officials in recent months has been with respect to the growth in the money supply. During the year the increase in M1, or money supply narrowly defined, was 15.6%, or almost double the 1974 rate of 8.3%. The Governor of the Bank of Canada indicated in November that he would be concerned if the growth rate was in the range of 15%. Consequently, it is expected that concerted efforts will be made to reduce the rate of increase without adversely affecting the recovery. Nevertheless, the Government and the Bank of Canada are clearly bound by the necessity to keep interest rates for a long period of time at levels which are not out of line with prevailing rates in other countries.

PROVINCIAL

THE NEW BRUNSWICK ECONOMY

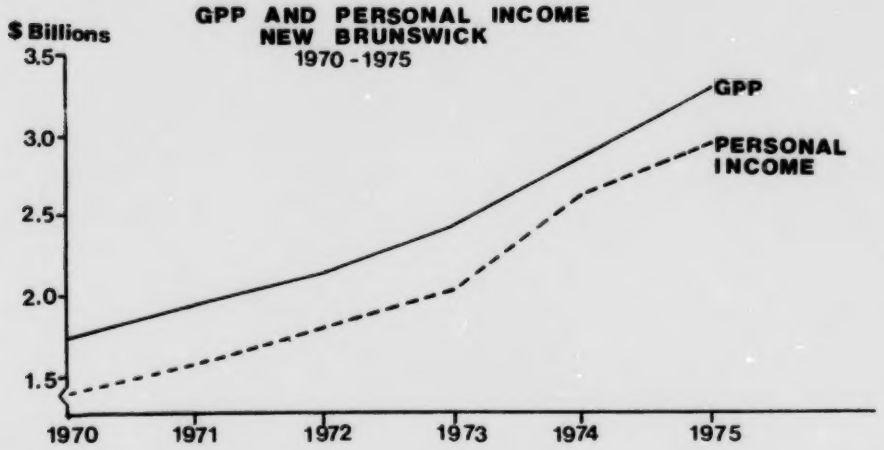
Although New Brunswick did not escape the effects of world wide recession, inflation and unemployment during 1975, the relative effects were considerably less severe than in Canada as a whole. Given that the Canadian economy declined at a slower rate than almost all major western nations, the provincial performance in the context of international as well as national developments was particularly encouraging. However, the Province has historically lagged the national economy both in the downturn and recovery phases of the business cycle. Therefore, despite a growth rate in 1975 that surpassed the Canadian performance, especially during the first six months, it is likely that the New Brunswick economy will also lag in the recovery during 1976. Consequently, the outlook for this year may be less optimistic than for the nation, where the recovery from the worst post-war recession is well under way.

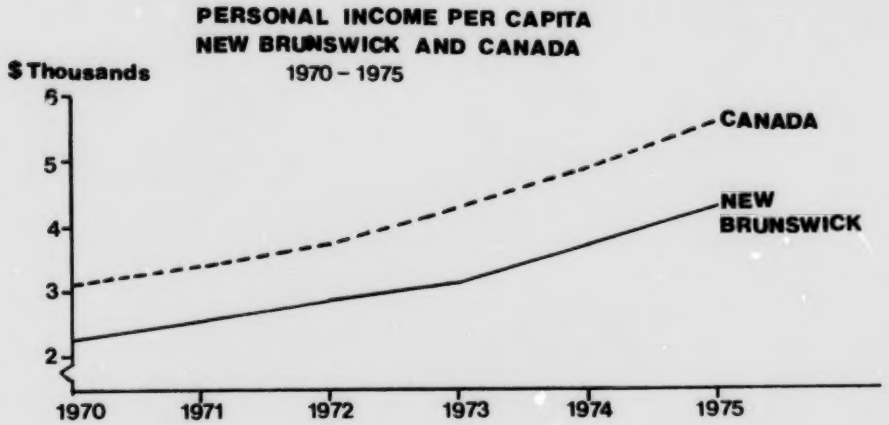
Also, the factors that represented growth stimulators and inhibitors in the provincial economy were different from the national economy in nature, timing and amounts. In New Brunswick, the major strength was in the capital

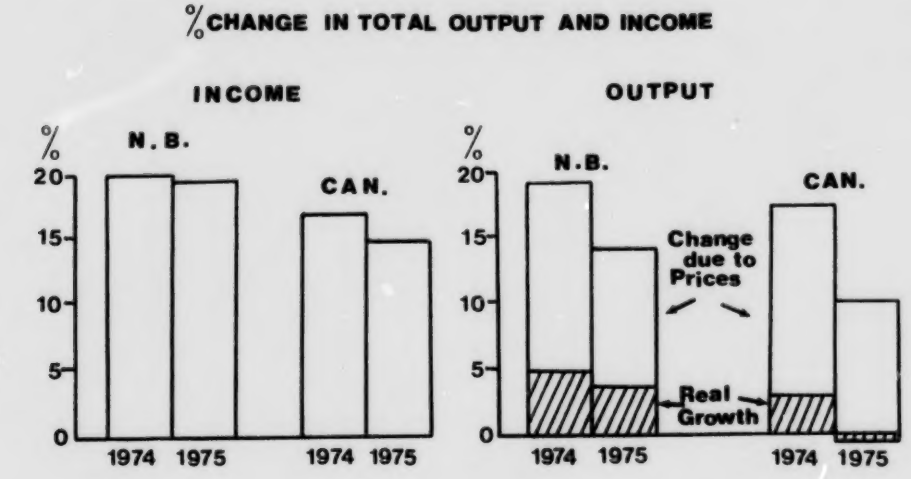
investment sector, including a surprisingly strong housing component. The major differences, however, were in the external demand and consumer spending sectors. Exports for the Province were stronger during the year than for Canada as a whole, while consumer spending was slightly weaker in real terms. Government spending remained high in the Province, largely as a result of large transfer payments. The other major demand component, inventory adjustment, does not play as large a role in affecting growth in New Brunswick as it does at the national level. The level of inventory run-downs that were evident in most of North America did not occur to a great degree in this Province. Thus, the pattern of growth, as well as the level was noticeably different in New Brunswick during 1975 than was the case at the national and international levels. The effects in 1976 should, however, be more consistent with national changes.

In addition to the divergence in output growth and the effects of the component demand factors in 1975 between Canada and New Brunswick, there are other noticeable differences: the industrial makeup of Gross Provincial Product in New Brunswick has changed; the growth in incomes in the Province was higher during the year; the labour force increased more rapidly at the provincial level, and as a consequence, unemployment increased significantly. The differences in the underlying factors affecting growth

OUTPUT AND INCOME







during the year are reflected therefore, in the trends of the major macro-economic aggregates in the Province. With slower growth in 1976 for New Brunswick than for the nation, more consistency with the Canadian pattern of growth should become evident.

OUTPUT

Because of these special demand factors and the lag in reaction to the recession, real G.P.P. in New Brunswick advanced by an estimated 3.4% in 1975, well below the historical trends, but high in comparison with the zero growth rate for Canada. G.P.P. in current dollars was up by about 13.8% over 1974, and national G.N.P. in current dollars was up 10.0%. These are considerably lower than in 1974 when nominal G.P.P. advanced by 18.9% in New Brunswick, and nominal G.N.P. growth was 17.3%.

The estimated $3,285 million in output in 1975, in terms of industrial composition, was slightly changed from trends that have developed over the last twenty years. The traditional increase in the proportionate shares of the service sector slowed down somewhat during 1973 and 1974, and to a lesser extent in 1975, with increased activity noted in some of the primary and manufacturing operations. Consequently, a larger portion

of the G.P.P. in 1975 was attributable to commodity production than was the case in the early 1970's and the previous two decades.

INCOMES

Total personal incomes in New Brunswick were estimated to have increased by a record $475 million in 1975 to $2.9 billion or 19.4% higher than in 1974.

The total estimated personal income of $2.9 billion was achieved in spite of a general slowdown in the rate of growth in the economy as a whole. Since the C.P.I. in New Brunswick increased by about 11.6% over the year, real growth was about 7.0%, or more than double the real output growth. A variety of factors including transfer payments, an increase in population, and continuing high wage settlements contributed to the gains.

The relatively high incomes, coupled with tax cuts, provided near record increases in disposable incomes. However, faced with uncertainties about long-run trends in the economy, many individuals opted to save at one of the highest rates in recent times. Thus, despite unusually large increases in disposable income, consumer spending in real terms advanced only marginally.

Per capita income in New Brunswick is estimated at $4,335, an increase of 17.1% over the 1974 estimate of $3,702, which was a rate of advance just slightly lower than the record 17.8% in 1974. Canadian per capita incomes increased at a much slower rate during 1975 and the gap between the two narrowed considerably. But this trend is not expected to continue throughout 1976, since New Brunswick's growth in the recovery is forecast to increase at a slower rate than for Canada as a whole.

The composition of personal income changed slightly during 1975 and the trends that were evident in the previous year continued. Labour income continued to advance at a faster pace than most other components, except government transfer payments which increased by 23.5%. Nevertheless, labour income's percentage share of the total represented the second consecutive annual increase after a continuous decline for many years prior to 1974. Also, during 1975, a large percent of the increase in labour income can be attributed to wage advances, since average weekly wages and salaries were up by 18.5% or 3% higher than the 1974 rate of increase.

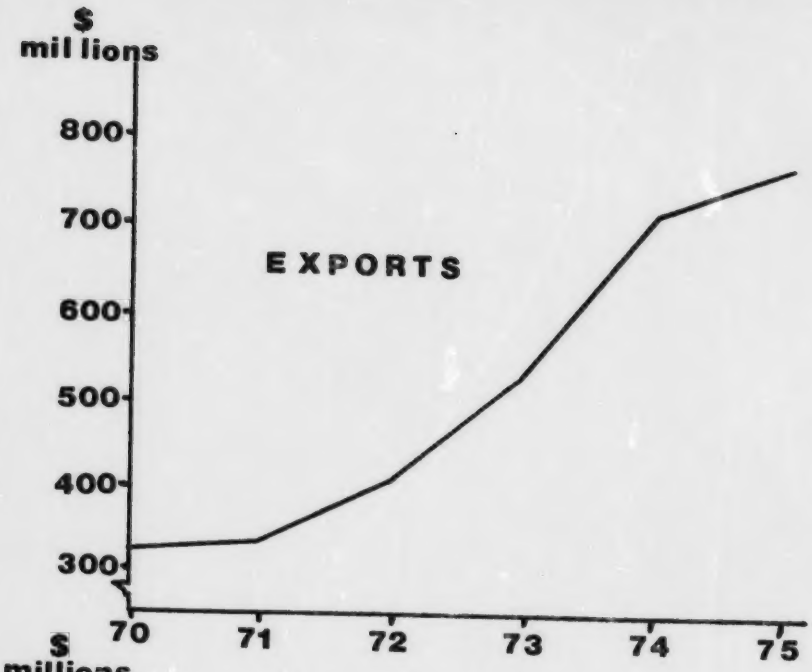
1975 was therefore a unique year in several respects for personal income growth in New Brunswick: (1) first of all, there was an unusually large increase in total

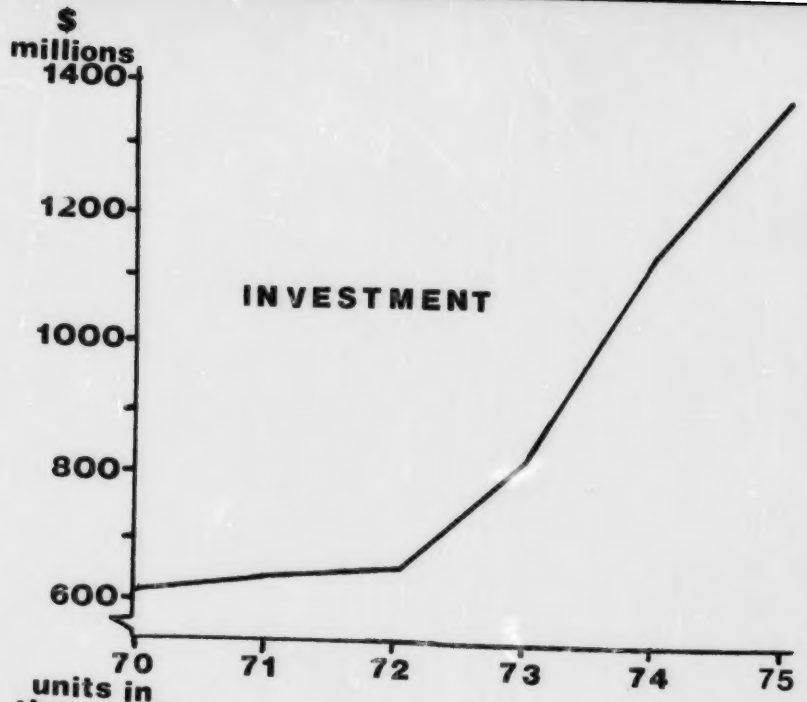
income; (2) secondly, labour income's share continued to increase at a faster rate, despite slow growth in employment; (3) thirdly, the rate of real spending was up only by about half the rate of real income growth, resulting in a savings rate that was extremely high; (4) fourthly, government transfer payments continued to climb at higher rates than any other component.

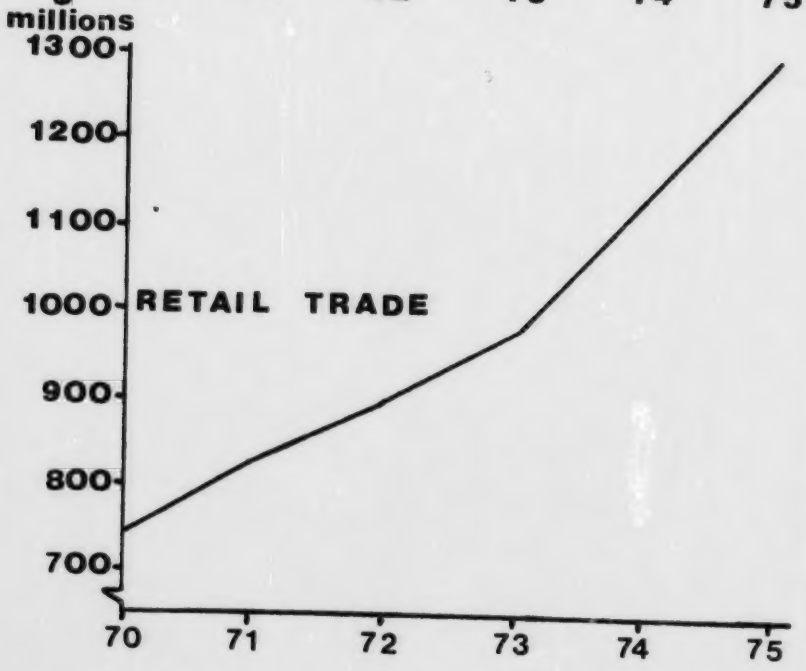
DEMAND

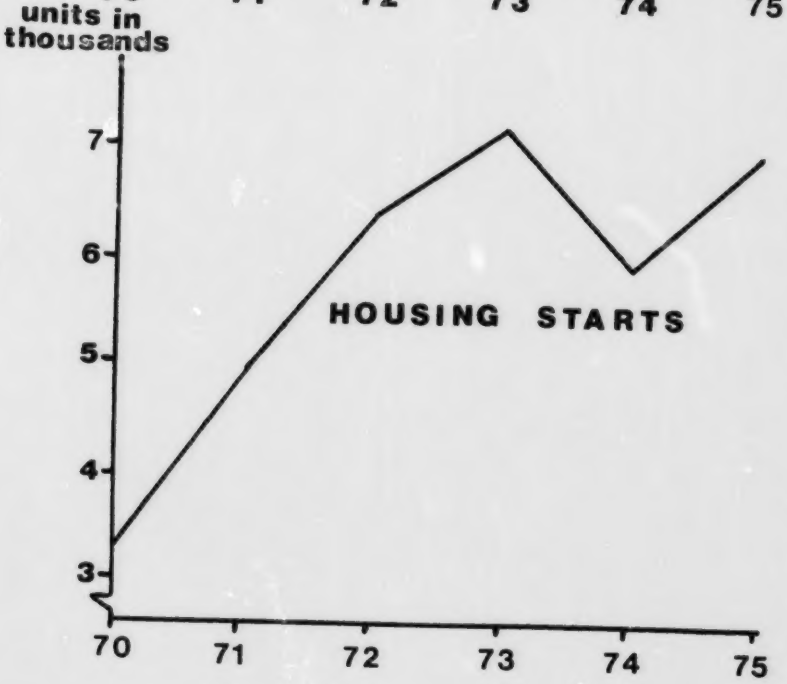
The relative effects on output of the various demand components did not change markedly from 1974 to 1975, although there was a general decline in the rate of increase of all demand factors over the period. The most severe declines in growth rates were in the external sector and in capital investment. But because 1974 was a record year for both capital investment and exports, the decrease in the rate of advance in 1975 was not enough to prevent it from providing a major impetus to output growth during the year. The other major contributor to growth in 1975 was government spending, and although no statistics are available on a provincial basis, large increases in government transfer payments and high levels in spending by local governments were in evidence.

DEMAND COMPONENTS
NEW BRUNSWICK 1970-1975









(1) Consumer Spending

Despite an increase in 1975 in personal income of 19.4% which was close to the record 1974 rate of 20.0%, consumer spending as reflected in retail trade estimates increased by only 13.5% during 1975, compared to 16.8% in the previous year. Since the Consumer Price Index in Saint John was 11.6% for the year, there appears to have been a very small (about 2%) advance in real consumption. As a result, spending by individuals did not provide nearly as much stimulus to G.P.P. growth as in previous years.

The major elements in personal expenditure growth during 1975 in the Province were a continuation of trends that were apparent in 1974. The reluctance of consumers to spend a large percentage of their increased incomes, especially on durable goods, reflected the cautionary stance of consumers in a period of uncertainty. As a result, much of the increase in 1975 spending was in non-durable and semi-durable items. The most notable change was in the value of automobile purchases which rose by only about 10% (there was a decline of 4.5% in the actual number of units sold). This differs from 1974 when the automobile sector reported one of the larger increases in spending for the year. Other durable good purchases increased at respectable rates during 1975, and this was in part related to the relative strengthening of residential construction.

One consequence of the high levels of personal income gains and the relatively moderate increases in spending is that the savings rate in New Brunswick has undoubtedly reached one of the highest in post-war years. While the rate during 1975 in Canada was also very high, it is probable that New Brunswick's percentage increase in savings was significantly higher.

In 1976, the consumer's fears about the state of the economy should be somewhat more subdued, resulting in a gradual increase in the rate of spending for the coming year. There should also be an increased rate of auto sales, with purchases of other durable items advancing faster than in the past year. But with an expected growth in income of significant proportions, the savings rate will probably remain at high levels, especially if progress in the rest of the economy does not live up to expectations.

(2) Capital Investment

Although the rate of increase in capital spending of 20.7% in 1975 was only about two-fifths of the percentage advance in 1974, it was still enough to provide a major stimulus to provincial G.P.P. growth during the year. The record level of spending of $1.14 billion in 1975 was achieved despite the recession and slowdowns in other parts of Canada.

Unlike Canada as a whole, the increases were strong in all sectors, including residential construction, and utilities registered the largest gains for the year. In as much as over two-thirds of the increase was for construction expenditures, the impact on the economy was even greater. Machinery and equipment accounted for only 34.8% of total new investment in 1975. Since this is a smaller proportion than in past years, and since most of this component is imported, the leakage effect on the economy is less, with a greater proportion of the investment being allocated to the construction sector.

Housing starts in New Brunswick were up 19.1% over 1974 reaching a level of 6,983, second only to the record year in 1973. And the increase was not all in the last half of the year as it was in the nation as a whole. In fact, starts in the second and fourth quarters were higher than in any of the last four years, and third quarter estimates were not significantly below the last two years. As a result, investment in housing of almost $200 million was fairly well distributed throughout the year and provided a major element of growth.

For 1976, the outlook is uncertain. Recent increases in the number of housing starts and the introduction of new C.M.H.C. programs give rise to some optimism; however,

continuing high interest rates and consumer resistance may restrain the rate of increase. Another major drawback may be in rental accommodations where the profit squeeze, occasioned by the price and wage guidelines and rising construction and mortgage costs, may inhibit developers from undertaking new projects.

Business investments during 1975 were also well up over the previous year. The increase in construction in the primary and construction sector was over 88% followed by trade at 45.2%; utilities at 36.9%; manufacturing at 25.3%; and government at 12.0%. The rates of increase in investment in new machinery and equipment were roughly the same, providing for a total new capital investment for the year of 20.7%.

The 1976 outlook is for even smaller rate of growth in government capital formation and possibly some reductions in the private sector, notably manufacturing. Of course much will depend on the level of interest rates and the extent of recovery in the Province, but many of the uncompleted projects undertaken in 1975 and previous years will continue to provide a considerable amount of capital formation throughout the year, especially in the utilities sector.

(3) Exports

The total value of exports in 1975 for New Brunswick is estimated at $752 million or 3.4% above 1974 exports. Although the rate of increase in the value of exports for 1975 was well below the record advance of 1974, the performance was well ahead of the Canadian situation where little growth (1.9%) occurred during the year. Furthermore, major provincial declines (in value) were in energy exports, where jobs and output are not affected as much as in other industries.

In the context of national and international declines in world trade for 1975, the New Brunswick external trade sector was relatively strong, especially in view of the fact that real exports for Canada are estimated to have declined by at least 8% for the year compared to zero growth or a marginal increase in New Brunswick.

While it might appear that in terms of real growth, New Brunswick exports might have had a mildly contractionary effect on output, investigation of their make-up and timing reveals that non-domestic sales were a major factor in stimulating the growth in many industrial sectors. First of all, exports for the first six months of 1975 were over 20% greater than the previous year, and for Canada there was an increase of only 4.7% during this recessionary period. And although New Brunswick exports declined by

3.0% in the third quarter, preliminary estimates suggest that sales rebounded slightly again towards the end of the year. Secondly, aside from lumber, the major declines in value were in sales of energy products, which were not unexpected, given the restoration of traditional supplies in the U.S. following the Arab oil embargo. On the other hand, there were major increases in the value and volume of fish, pulpwood, lead and zinc products. Consequently, if energy related commodities are excluded, it is estimated that the value of exports for 1975 were up by about 10%, which therefore added considerably to demand factors affecting output growth. Thirdly, exports were down by only 6% to the U.S. in the first nine months, in spite of the deep recession in that country during the first part of the year. The value of sales to other countries, on the other hand, were up by 33% over the same time period. Thus, in the midst of widespread recession and declining external trade throughout the western world, New Brunswick's export position was actually strengthened in many respects throughout the year.

Because final statistics on detailed commodity exports are not available, it is difficult to analyze the composition of international shipments for 1975. However, tabulations for the first three quarters indicate that mineral shipments were up by about 18%; fish products by 24%; pulpwood by 18%; paper by 28%; newsprint by 28%; and smaller increases for most other processed products. Major declines were in energy

(oil, coal and electricity) - down by about 60%; and lumber - down by about 33%.

With an end to the pulp and paper strike; an increase in lumber markets resulting from more housing activity; and a general improvement in the world economic situation, it is expected that New Brunswick's export position should improve in 1976, but growth rates achieved during 1974 will not be duplicated for some time.

(4) Inventories

Inventory adjustments in New Brunswick do not play as large a role in influencing the economic system as they do in the nation as a whole. As a result, inventory reductions throughout 1975 which represented a considerably drag on the Canadian economy were not a major factor provincially.

Consequently, strength in other domestic and external demand sectors was not offset by declines, except in the pulp and paper industries where the large inventories built up in 1974 were utilized to some extent during the lengthy strike in the latter part of the year. The only other industries in which inventories are a major factor are agriculture (potatoes) and fishing, but the adjustments there are almost totally unrelated to macro-economic trends throughout the world. They are instead dependent on the yields and stocks in a particular season, and the

world supply-demand situation at a particular point in time. Therefore, it is not expected that inventories will play a large role in the New Brunswick economy during 1976.

(5) Government Spending

While statistics are not available to indicate the amounts spent by all levels of government in the Province, it would appear that the total was significantly higher in 1975 than in 1974. Transfer payments were a major factor in the increase in personal incomes during 1975, and capital formation in the public sector was also strong in New Brunswick.

The outlook for 1976, however, indicates that spending by all levels of government will probably increase only marginally in real terms. The program of restraint at the Federal, provincial and municipal levels is expected to have, at the very most, a neutral effect on the rate of growth in the provincial economy.

PRICES

While price movements in individual parts of Canada usually tend to be not unlike the national fluctuations, the 1975 New Brunswick experience was unique in this respect.

In 1975, the rate of increase in the Saint John Consumer Price Index was 11.6%, up from the 1974 advance

of 10.3%. The C.P.I. for Canada on the other hand, was up 10.8% in 1975, virtually unchanged from the increase of 10.9%, for the previous years. Consequently, the price performance in New Brunswick for 1975 was not as satisfactory as that for the rest of Canada.

The largest increases among the components of the Saint John C.P.I. were in food (14.2%) and health and personal care (14.7%) but all items except clothing and housing increased by over 12% in 1975 over the 1974 levels. Further, the rates of increase in all except clothing and housing were higher than the increases for Canada. The food price index in Saint John was the only one to show a lower rate of advance than in 1974.

Separate statistics on a provincial aggregate output price deflator are not available, but it is probable that the Gross National Expenditure deflator is applicable to trends in New Brunswick. Consequently, the rate of 10.2% is assumed to have been the approximate inflation component of total output in 1975.

The outlook for 1976 is for some moderation, and a return to national trends in terms of the amounts and direction of price changes.

LABOUR FORCE[1]

Despite a relatively strong economy in 1975 (compared to national trends), there were severe problems with respect to unemployment in the Province. The problems arose only partially from a slowdown in the rate of growth in economic activity. The major pressure in the labour market has come from a continuation of the high rate of growth in the labour force, occasioned by a population growth rate which was higher than the Canadian rate during 1975. Therefore, despite employment increases, the level of unemployment continued to climb during the year.

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[1] Important note on changes in Labour Force Survey - Beginning in January, 1975 Statistics Canada is releasing labour force data obtained from revised survey techniques. The new survey will affect all aspects of the statistics, including their definition, coverage and results. The changes affect New Brunswick more drastically than any other Province, with the exception of Newfoundland. This is particularly true for details on unemployment rates, sex distribution, participation rates, age groupings and to a lesser extent the size of the labour force. The net result will provide statistics that normally will change less dramatically from month to month, especially the unemployment rate. This review is based on the new data but tables in the statistical appendix contain both sets of data for comparison purposes. For details on definitions, results, etc., please call or write the Office of the Economic Advisor, Department of Finance, Fredericton,N.B. - phone - 453-2381.

(1) The Labour Force

The labour force (based on new survey results) increased by an average of 10,000 in 1975 or 4.1% over the 1974 level. While this is lower than the growth rate between 1970 and 1973, it is considerably higher than the national advance of 3.7% for 1975, or the long term growth of slightly more than 1% per year. As a result the total labour force for the year averaged 254,000 in New Brunswick compared to only 244,000 in 1974.

Although the participation rate was up to an average of 53.8% in 1975 or about 1% higher than in 1974, the effects of the economic slowdown began to influence the activities of job seekers by August, when the participation rate peaked at 58.4%, and fell to 53.5% by December. Nevertheless, the proportion of the population in the labour force for 1975 as a whole was at an all time high and the advance in the rate exceeded that for Canada during the year. Consequently, the higher population levels, and increased participation rate added unusual pressures in the labour market, especially given that the Province was in a period of economic slowdown.

Employment growth continued in 1975, but the three thousand new jobs was only one-third of the increase experienced between 1973 and 1974. In fact, it was the smallest annual increase in new jobs since 1971; but in 1971 (and previous years) job creation grew at about

the same pace as the labour force, and as a result the pressures on the labour markets were not aggravated as in 1974 and especially in 1975.

In 1975, the relatively small increase in new jobs, coupled with a labour force growth that was up slightly from the previous year, produced the highest average annual totals for unemployment since data for the Province have been available. The average of 25,000 unemployed, or 9.8% of the labour force for 1975 was well above the 19,000 or 7.8% unemployed in the previous year, and it was also extremely high in comparison with historical trends. But 1975 was unique in that a large part of the unemployment could be directly related to unusual labour force growth, while in past recessions, much of the unemployment was precipitated by major declines in production

In this context, relatively high unemployment rates during the last two or three years were almost unavoidable, even if the economy were operating at peak capacity. It is not expected that there will be any significant improvement in 1976, nor until the population pressures and high participation rate increases are reduced to match the growth capacity to absorb the large number of new job seekers.

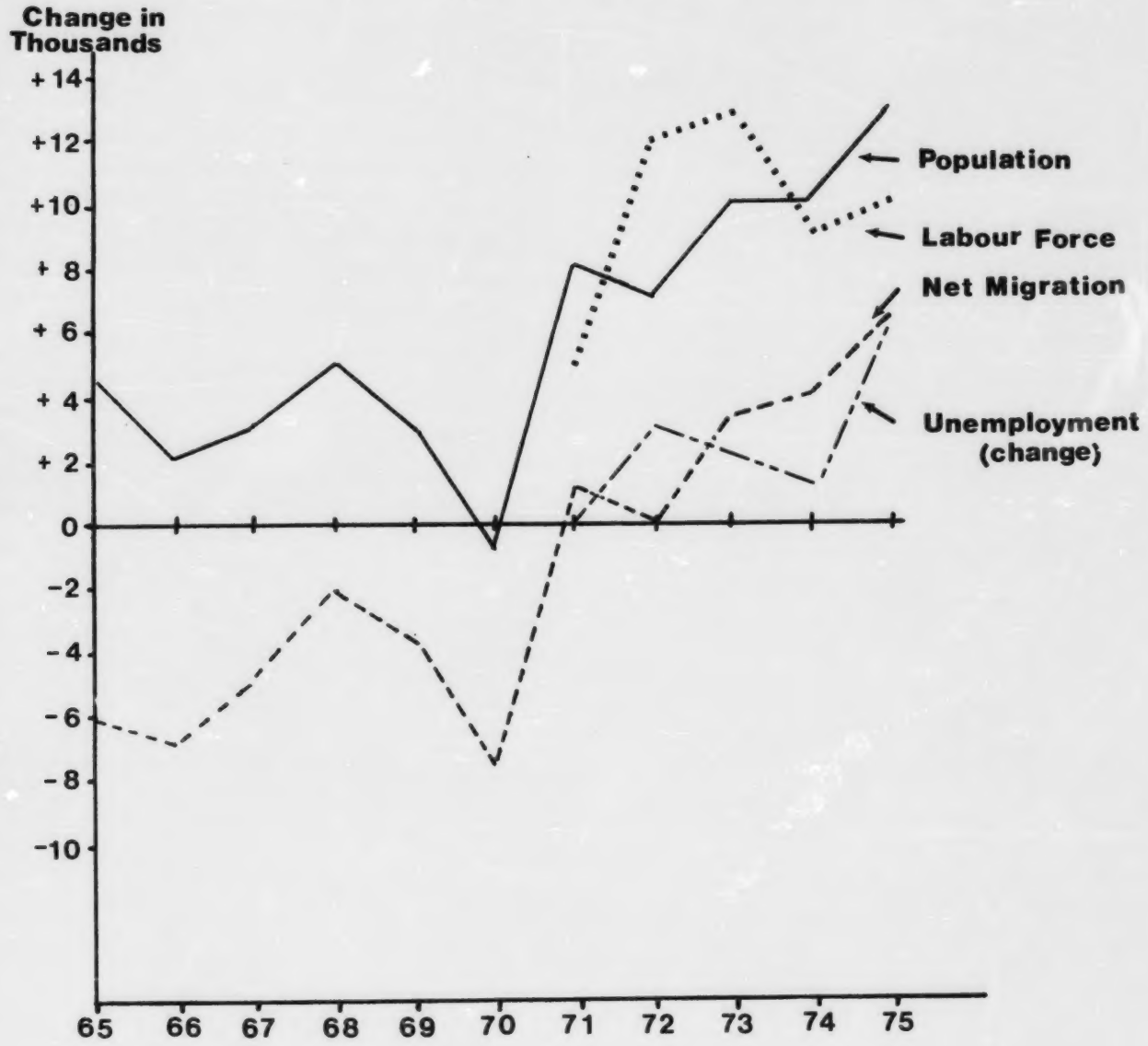
(2) Labour Force by Industry

The industrial composition of the labour force changed slightly in 1975 with the service sectors increasing their employment by more than the commodity sectors. In this respect, the trend that developed during 1973 and 1974 when the structure of the economy shifted towards the commodity producing sectors was halted, and the post-war pattern of rapid service sector growth re-emerged. This was especially true for the trade and services sectors where employment increased by an estimated six thousand. There were declines in transportation, communication and utilities, primary industries and construction. Manufacturing was the only other sector to record an increase, with the 1975 estimate being two thousand higher than the previous year.

(3) Regional Distribution of Unemployment

Not unexpectedly, the North-Eastern part of the Province suffered more than others from increasing unemployment rates. The average for 1975 in this region was 18.8%, well up from 1974 levels. But the Moncton area, (Kent, Westmorland, Albert) also experienced a larger increase with the level of unemployed jumping to 10.3%. The region encompassing Saint John, Kings and Charlotte counties had the lowest rate for the year, averaging 5.6%. In November the rate of unemployment was only 2.9% in this region, reflecting a period of relative labour scarcity in

AVERAGE ANNUAL CHANGE IN: POPULATION AND NET MIGRATION (1965-1975); LABOUR FORCE AND UNEMPLOYMENT (1971-1975)



the city of Saint John. Unemployment in Queens, Sunbury and York was 7.1% of the labour force and the average participation rate for the year in this region was by far the highest in the Province at 59.7%. The unemployment rate in the Northwest (Carleton, Victoria, Madawaska) fluctuated widely throughout the year and averaged 7.3%.

For 1976, the labour market outlook is not bright. There may be some marginal improvements, but like the Canadian situation, much unemployment still exists and productivity gains are likely to occur before any major employment increases are recorded.

POPULATION

In spite of the economic slowdown, the 1975 population growth of 2.0% was one of the largest annual percentage gains on record. The increase of 13,000 pushed the total to an estimated 657,000 on the average for the year, and by October of 1975 the total stood at 681,000. This represented the fifth successive year that the annual rate of increase was larger than 1%. For the nation as a whole in 1975, the rate of advance was only 1.6%.

A full 50% of the provincial increase, or 6,500 is estimated to have been a result of net in-migration, which was one of the highest increases in this component in post-

war years. Further, many of the immigrants were in the 15 to 35 year range, or the prime working age group, which resulted in a significant contribution to the numbers seeking work in New Brunswick during the year.

The natural increase of 6,500 in 1975 was a result of an estimated 11,800 births (up slightly) and 5,300 deaths. In contributing only 50% of the population change, the natural increase is the lowest in percentage terms for the post-war period.

The impact of the unprecedented demographic changes on the labour force over the last few years has been dramatic. Between 1970 and 1975, total population grew by 48,000 while the labour force increased by 49,000. In the previous five year period, (1965-1970) total population increased 12,000, and the labour force (old survey) grew by the same amount.

Consequently, four factors have exerted unique pressures on the labour market in the Province: (1) population growth rates have been among the highest in Canada; (2) net in-migration has been at post-war record levels over the last few years, and the proportion of those in the working age groups is higher than the population as a whole; (3) the age distribution of the population as a whole is changing so that an increasingly greater proportion is entering the working age groups; (4) the participation rate for the labour force

population has been increasing at a rapid rate. The demographic trends have therefore altered to a significent degree, and the rate of additions to the labour force have been unequaled in most other parts of Canada in the last five years.

Even in a boom period, it is extremely difficult and unlikely that the increased capacity of the economy can create jobs at a pace equal to this population and labour force growth. In 1975, when a slowdown became more noticeable, and without a concurrent decline in labour force growth, higher unemployment rates were inescapable. The relatively strong performance (compared to Canada as a whole), of the provincial economy was therefore not enough to prevent unemployment rates from reaching very high levels.

INDUSTRIAL

AGRICULTURE

AGRICULTURE

The overall prosperity of the Province's agricultural sector declined significantly in 1975 from the record levels of 1973 and 1974. Potato production was the lowest in 15 years, due to reduced crop yields and a reduction in the total acreage planted. Final tabulations of farm cash receipts will undoubtedly be close to $100 million, as they were in 1974; however, an estimated 13% increase in operating and depreciation charges has greatly reduced the level of "realized net farm income".

Preliminary estimates suggest that total 1975 farm cash receipts will be slightly lower than their 1974 value of $103 million. Realized net farm income[1] is expected to fall by $11 million to $31 million in 1975. Net farm income[2] also fell drastically to only $15.3 million as a result of a $16 million decline in farm inventories.

New Brunswick farm prices declined moderately from late 1974 through the second quarter of 1975. Beginning in May, average farm prices began to rise. Between May and October farm prices rose by 45% and stood 29% above their level in October of 1974.

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[1] Realized Net Income represents that part of income from farming operations immediately available to farmers for family living and investment. It is calculated by adding together farm cash receipts, income in kind and supplementary payments and deducting operating expenses and depreciation charges.

[2] Net Farm Income represents that part of farmers income which is directly attributable to farm production in the current calendar year. It is calculated by adding changes in farm inventories to the value of realized net farm income.

This general pattern of price movements was duplicated by many product groups to varying degrees. The animal products component of the Canadian wholesale price index indicates that after moderate advances in 1973 and 1974 wholesale meat prices declined through late 1974 and early 1975. In April of 1975 meat prices again began to rise and in October the animal product price index stood 14% above its value in October of 1974. The vegetable product component of the wholesale price index declined steadily through the first two quarters of 1975, but began a moderate advance in July. In October the index was 11% below its value in October of 1974; however, this index is not representative of the extremely wide swings which have occurred in potato prices over the past two years.

Fluctuating prices in the potato market have had a significant impact on the level and distribution of farm cash receipts in 1975. Surplus stocks and extremely low prices early in 1975 resulted in a 33% decline in potato receipts for the first two quarters of 1975 compared to the same period in 1974. The low potato prices precipitated a reduction in planted acreages in 1975 and a prolonged dry spell in mid-summer caused crop yields to fall. Potato prices rose in the early summer as inventories dwindled and remained strong through the fourth quarter of 1975 as a result of the small potato crop last year. The higher potato prices contributed to record farm cash

receipts in the fall of 1975. Unfortunately the revitalized potato receipts in the fall were not sufficient to fully compensate for low potato prices earlier in the year. Although cash receipts from all produce equaled the 1974 level, potato revenues accounted for only about 30% of the total in 1975 as compared with 45% in 1974.

Cash receipts from the sale of most agricultural products were equal or higher in 1975 than in 1974 due to production. A few products, notably potatoes, registered significant declines. Recent estimates suggest that 1975 potato sales surpassed $30 million, roughly 35% lower than in 1974. However, other vegetables sales reached $2.7 million, 4% more than in 1975 in spite of the generally low prices. The volume of fruit production was up, as was the value of cash receipts. Yields in apple and blueberry production were affected by a prolonged dry spell during the summer; however, total fruit revenues were 60% higher than in 1974.

Beef sales in the Province fell by 5% in 1975 in spite of the generally higher prices in the latter half of the year. The value of hog production rose; however, in this case higher prices more than compensated for a smaller volume of marketing. Dairy production was the strongest source of growth in the agricultural sector in 1975. The volume of milk production increased approximately 3.2%,

effectively reversing a seven year decline in milk production. The value of on-farm dairy production reached a record $20 million. Less encouraging was the value of egg and poultry production which fell by roughly 7% due to lower prices and a softening in demand.

New Brunswick farm operating and depreciation charges increased by $9.2 million or 13.4% in 1975. The eastern Canadian farm input price index rose by only 7% in 1975 indicating that purchases of many farm inputs were increased in 1975. Fertilizer and lime prices rose by an average of 15%, yet purchases increased by 28%. The increase of 24% in interest charges cannot all be explained by rising interest rates, indicating that extensive capital purchases were made by farmers in 1975. Similarly, cash outlays for farm labour increased by 19% yet average farm wage rates increased by only 12%.

Other increase in farm expenditures were primarily due to the general inflationary environment prevailing in 1975. The continuing rise of gasoline and labour costs was reflected in a 25% increase in repair expenditures. Rising land values indirectly contributed to a 21% increase in gross farm rent. Rental rates increased marginally; however some farmers wishing to expand their operations opted to rent additional farm land rather than purchase new land at existing prices. The value of feed purchases,

which normally accounts for 20% of all farm expenditures, declined in 1975 as a result of negligible grain price increases.

The agricultural outlook for 1976 is quite favorable. Generally higher price levels for many commodities will push cash receipts significantly above their 1975 value. Any moderation in the rate of inflation should help to bring realized net income back to its 1974 level.

Due to the relatively small crop in 1975, potato prices are expected to remain firm through the second quarter of 1976. Cash receipts from the sale of potatoes are therefore likely to be substantial at least until June 1976. The outlook for the livestock market is uncertain although most analysts feel that wholesale meat prices must rise in 1976 to prevent a cutback in the supply of beef by producers.

In 1976 farm expenses will undoubtedly rise due to price increases, although any reduction in the rate of inflation will be passed on to the farming sector in the form of savings. Wage increases are likely to moderate and it is unlikely that we will see further increases in interest rates.

FORESTRY

FORESTRY

The New Brunswick forest product industry suffered a major setback in 1975. Total production of pulp and paper, lumber and related products is estimated to have fallen by as much as 15% from the levels achieved in 1974. Lumber shipments declined for the second year in a row, and the pulp and paper industry operated at less than 80% of its capacity for most of the year. The decline in demand for manufactured forest products also forced a cutback in primary forestry activities. In eleven months of 1975 the harvesting of pulp logs was 21% below the volume of production in the same period of 1974.

The New Brunswick lumber industry experienced a very difficult year in 1975. In the first quarter employment was down between 25% and 30% from the year previous and the industry operated at less than 60% of its capacity. A combination of low prices, reduced demand, and the need to drastically curtail production to reduce inventories forced many mills to close temporarily and led some persons to express fears about the short term survival of the industry. An improvement in demand during the third and fourth quarters brought about a substantial improvement in the industries situation; however, total shipments in 1975 were significantly below those in 1974.

A continuation of the depressed level of residential housing construction in North America was the major cause of the depressed level of demand for lumber and other wood products. During the first three quarters of 1975, lumber shipments totalled 196.9 million board feet which was 24.6 million less than for the same period in 1974. Most of this decline can be attributed to weakness in the export market. Lumber exports declined by 19.4 million board feet in the first three quarters of 1975, primarily as a result of reduced shipments to the United States. The domestic market showed considerable strength throughout the year. Lumber shipments to Canadian purchasers increased from 37.5 million board feet in the first quarter to 53.9 million board feet in the third quarter.

Although lumber shipments declined by roughly 10% in 1975 the volume of production fell by 22% as producers attempted to deplete the large stocks of inventories built up during a period of strong demand in 1973 and early 1974. Prices and inventories peaked in July of 1974. Weak demand and the rush to reduce inventories caused lumber prices to fall throughout the last six months of 1974. Generally lower inventories and increasing domestic demand caused lumber prices to rise throughout 1975. In the first two quarters wholesale sawmill prices rose 18%, equalling the highs of 1974. In the final quarter of 1975 shortages began to appear in some lumber dimensions and prices rose rapidly in expectation

of stronger demand in 1976.

The New Brunswick pulp and paper industry has come through a very difficult year. The provinces pulp and paper production index declined by 17% and for much of the year the industry operated at less than 80% of its capacity. Generally weak markets forced the closing of several of the province's mills for periods of up to three months. In the final quarter of 1975, strikes at the St. Anne Nackawic, MacMillan Rothesay, and MTR Newcastle mills resulted in additional "down time". It is as yet unknown what impact these strikes will have on fourth quarter shipments. However, markets remained very weak in the fourth quarter implying that the mills would have had considerable excess capacity if strikes had not forced their closure.

The value of pulp and paper shipments during the first three quarters of 1975 did not fall as dramatically as production due to healthy price increases early in 1975. In June 1975 the Canadian pulp and paper wholesale price index was 23.7% higher than a year earlier. As a result, total pulp and paper shipments at the end of eleven months totalled $419 million or only 2.1% less than the record high shipments in 1974.

Most of the weakness in New Brunswick's markets for pulp and paper originated in the domestic economy. Domestic shipments for the first three quarters of 1975 were down 48% from the same period in 1974. Exports,

which accounted for 90% of total shipments in 1975 were running about 8% ahead of the previous year in spite of a significant drop in export revenues during the third quarter. This result is somewhat surprising in view of the weakness in the American economy which purchases about 55% of New Brunswick's pulp and paper exports. However, the Scandanavian countries which are also major suppliers of pulp and paper to the U.S. curtailed their exports in 1975, forcing the United States to place greater dependence on Canadian suppliers. Pulp and paper exports also received a large boost in the second quarter due to unusually large purchases of newsprint by Britain and a number of other overseas markets.

Demand for many pulp and paper products is closely aligned with the general level of business activity; however, in 1975 inventory management by producers and purchasers of pulp and paper contributed to the 17% decline in total production. In early 1974, momentum built up from world shortages of pulp and paper in 1973, plus fears of further strike induced shortages in 1975, led many consumers of pulp and paper products to accumulate substantial inventories by late 1974. In 1975 the financial costs of carrying large inventories plus the continued slowdown in U.S. business activity forced many firms to reduce their inventories by cutting back on new orders.

The outlook for New Brunswick's forest products industry in 1976 is optimistic. Both the Canadian and American economies are now showing real growth which is expected to continue and strengthen in 1976. Finished inventories of both lumber and pulp and paper are presently at low levels and any tendency to increase these inventories may result in a substantial increase in production.

The lumber and wood products industry is expected to undergo a rapid recovery in 1976 due to higher lumber prices and substantial increases in residential construction. Canadian housing starts increased from 23,950 units in the first quarter of 1975 to 76,327 units in the fourth quarter. In the U.S., housing starts began to recover in the second quarter and have shown continued strength.

It is expected that Canadian housing construction will continue to expand during 1976 owing to the present housing shortages and the recent expansion of C.M.H.C. incentive programs. While mortgage rates are not expected to decline significantly in 1976 there is some feeling that a "psychological barrier" will be broken as more people become willing to accept 12% mortgage rates. Lumber prices themselves are presently high and will contribute to a higher value of lumber receipts. The prospect of higher demand coupled with the presently low inventories implies that these prices will move even higher in 1976.

The pulp and paper industry has the potential for renewed growth in 1976; however, there is some uncertainty. The upswing in the United States and Canadian economies will definitely aid both domestic and export shipments but a recovery of production to the levels of 1974 will undoubtedly require a commitment by consumers to higher inventory levels. Therefore, business expectations based on the strength of the economic recovery will play a prominent role in expanding production. An additional source of concern is the fear that the large Scandinavian producers may once again attempt to broaden their export market through aggressive price competition.

Finally, there has not been a general increase in pulp and paper prices since January 1975. The industry has been forced to absorb substantial production cost increases in the past 14 months but there is some question as to when the market will be able to support further price increases. Many observers feel that across-the-board price increases will not occur until world demand raises production to full capacity. Optimistic projections suggest that this will not happen until at least the third quarter of 1976. However, strong demand for Canadian newsprint from the United States market may allow Canadian mills to raise newsprint prices by 5% to 10% before the middle of the year.

FISHERIES

FISHERIES

New Brunswick fisheries concluded a year of increased fish export markets and a raised volume of fish landings, reflecting an upward trend experienced by the Atlantic Provinces fisheries and most fish exporting nations. After six consecutive years of declining volumes of fish landings, the New Brunswick catch increased 5% over 1974 levels to 260 million pounds. The value of landings rose to $24 million, up 15% from 1974. Final quarter fish landings registered a strong increase (43% of the 1975 total volume), offsetting a slow first three quarters and effecting a reversal in the pattern of yearly declines in the New Brunswick fish catch. While the increased volume of fish landings for the year reflected the good fish migratory and weather conditions, the problem of depleting fish stocks continued with the 1975 volume only 48% of the 1968 catch.

During 1975, the federal government embarked on a program of deficiency payments for the rehabilitation of the ground fisheries as well as some incidental fisheries. A deficiency payment of 2.5¢ per pound on the landed quantity was provided to fishermen at the beginning of the fishing season, while a 4¢ per pound was provided in mid-summer to crab fishermen to improve quality through selective landings.

There was also a deficiency payment of 8¢ per pound paid to the fish packers on all their groundfish products. However, to confirm the improvement in groundfish markets, the deficiency program has been amended recently by reducing the payment to processors by 25%, and by dropping a few species from the list, such as redfish and haddock.

The wholesale market value of the production is expected to exceed the $100 million mark showing an encouraging upswing after the sudden drop during the previous year. The processing sector, while relying heavily on provincial landings, continued to draw upon fish landed (mainly herring and lobster, and queen crab) in neighboring provinces.

On the supply side, the New Brunswick fishermen continued their activities with some delays due to the uncertainties of the prices during the early part of the season. Crabs and shrimps were most affected. Nevertheless, after seven consecutive years of declining catches, the volume of landings increased by 2% over 1974 to 121,000 metric tons. Value which continued its steady yearly increases, went up by 11% to reach $24.5 million (excluding deficiency payments estimated at $1.5 million). As indicated in previous years, the official statistics on landings do not reflect the total fishing effort of New Brunswick fishermen as sizable quantities of fish caught by them were landed in out-of-province ports. (U.S., Nova Scotia

and sometimes Quebec and Newfoundland). These landings are essentially herring and groundfish and small quantities of queen crab. The estimated landed value is $4 million.

Groundfish landings increased by 15.7% in volume to 19,437 tons, while value went up by 23.4% to $3,349,000 (excluding deficiencies payment). The increase could be attributed to "crabers" and "shrimpers" returning to ground fishing.

Pelagic and esturial species increased by 3.2% to 88,300 tons while value was up 11.9% to $10,548,000. Herring and tuna increased respectively by 5,100 tons and 1,221 tons. In the molluscs group, landings went up by 8.2% to 1,728 tons, with value rising 9.1% to $851,000. Clam landings dropped, while mussels and oysters improved.

Crustacean landings went down by 11.8% to 7,884 tons, while the value climbed by 10.6% to $9,261,000. Crab landings went down by 1,639 tons due to the transfer of "crabers" to the groundfish fishery, the late opening of the season and the quality constraints imposed by the deficiency program which prohibited the landing of small crabs as well as "white" or soft-shelled crabs. Lobsters, on the other hand, experienced a good year with an increase in landings of 34% in quantity. Miscellaneous species such as dulse, Irish moss and herring scales registered a drop of 32% to 3,995 tons, and their value also dropped by 42% to $458,000.

Canada is moving slowly towards the management of its fisheries within its economic zone. The third session of the Conference on the Law of the Sea should ratify such claim. Gains made by Canada last year at the ICNAF meetings when member nations agreed to reduce their fishing efforts by 40%, and to reduce their respective quotas by as much as 50% should show its results when depleted stocks rebuild themselves to levels permitting further developments.

The outlook for 1976 is for unit prices to stabilize and even grow moderately for most species. However, declines in the total landed volume of fish are possible. The total value of landings will depend on the relative magnitude of these variables and the usual factors of weather and number of boats.

MINING

MINING

Mineral production was a leading source of growth in the New Brunswick economy during 1975. Preliminary estimates of New Brunswick's mineral output indicate that the total value of production reached $251 million, representing an 18% growth in revenues over 1974. Virtually all of this increase was due to a rise in base metal production which occurred in spite of weak world metal demand and generally lower prices. The absence of labour disputes in New Brunswick's mining sector enabled the principal mines to operate at close to full capacity throughout the year.

World base metal markets were under considerable pressure during 1975. The economic recession which has plagued western nations over the past two years was accompanied by a 15% to 20% drop in base metal consumption while the production of raw ore has remained strong. As a result world stocks of finished metals increased dramatically in late 1974 and throughout 1975. The combination of weak demand and increasing world inventories contributed to a marked decline in metal prices in the fourth quarter of 1974. In 1975 base metal prices were relatively stable but at a considerably lower level than their average range in 1974.

In New Brunswick the total volume of lead, zinc and copper production increased from 461 million pounds* in 1974 to 557 million pounds in 1975. Because many mining operations, including the principal base metal mines in New Brunswick, have long term supply contracts with foreign and domestic smelters, the weak markets for smelted metals have not forced a significant cutback in the primary production of ores and concentrates. Furthermore, due to the stabilizing influence of the supply contracts, Canadian ore prices did not fall as dramatically or fluctuate as widely as did metal prices on the international exchanges.

Zinc production, which accounts for over 60% of all New Brunswick mineral output, increased from 333 million pounds in 1974 to 406 million pounds in 1975. In spite of a 23% reduction of world consumption of zinc metal in 1975, average North American zinc metal prices rose by 7% and helped bring the value of New Brunswick's production to 152 million dollars. The strength of North American zinc prices has been helped by declining U.S. inventories of the metal; however, European inventories have grown substantially and may indicate future price declines.

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*These figures refer to the weight of the respective metals contained in raw ore or concentrate.

The volume of lead and silver production increased by 18% and 7.3% respectively. The value of silver output increased by 4.7% to $21.7 million. Average silver prices were only slightly lower than 1974 although there were numerous fluctuations due to speculative pressures. The value of lead output rose from $22 million in 1974 to over $25 million in 1975. United States and Canadian lead metal prices increased by roughly 20% in 1974; however,soft demand over the past year caused an equal decline in 1975 and average prices were similar in both 1974 and 1975.

The volume of copper production also increased in 1975; however, substantial price declines in late 1974 caused the value to fall by 13.8% to only $16.8 million in 1975. Copper prices have undergone dramatic fluctuations over the past two years. World shortages in late 1973 and early 1974 caused the U.S. average monthly price to rise to 87 cents per pound in July. In Canada the price dropped back to 63 cents per pound by February of 1975. Canadian prices were stable at that level throughout the rest of 1975; however, the average yearly price was almost 18% below the average of 1974.

Antimony production is a relatively new source of mineral revenues in New Brunswick. In 1975 the volume of production increased substantially; however, waning demand caused prices to fall by almost 25% while the value of production declined marginally to $4.7 million.

Although the volume of production of metallic ores increased in 1975 there were no increases in the capacity of the principal mines. Brunswick mines is continuing with its $50 million expansion at the No.12 underground deposit. The project is designed to increase its capacity from its present 6,350 tons per day to 11,000 tons by 1979. Heath Steel has encountered technical problems in expanding its capacity to 4,000 tons per day from the present 3,000 tons per day and it is as yet unknown when this work will be completed.

The present weakness in world demand for base metals has not affected the search for new reserves. During 1975 exploration activity in New Brunswick was up over 20% from 1974 and expenditures in the Bathurst area increased by more than 100%. These efforts resulted from the discovery of several new base metal deposits in the province, and at least one company is presently engaged in drilling operations to determine the feasability of future production. In the Sussex and Salt Springs area the International Mineral and Chemical Corporation (Canada) Ltd. and the Potash Company of America are investigating two promising potash deposits; however, further exploration work is required to determine if commercial production is warranted.

Among the non-metallic mineral products, peat production fell from 95.3 thousand tons in 1974 to 89 thousand tons in 1975; however, moderate price increases pushed the value of production to a record $4.9 million. The output of mineral based structural materials such as sand, gravel and cement also declined in 1975 as a result of general weakness in construction activity. The volume of sand, stone and gravel production declined by 18.4% while the value of all structural materials production declined by only 9%. In the mineral fuels category, coal production was up significantly, increasing from 415 thousand tons in 1974 to 450 thousand tons in 1975. The value of coal production rose even faster reaching $7.1 million on the strength of price increases which averaged 21% in New Brunswick.

The value of metallic mineral production in New Brunswick during 1976 is expected to remain at the same level as in 1975. Virtually all of New Brunswick's metallic mineral output is covered by long term supply contracts providing a guaranteed market for the output of raw ore and concentrates. While production will remain at high levels, it is unlikely that metal prices will rise in 1976 due to the extremely large world stocks of base metals.

Production of non-metallic mineral products will probably show a moderate increase in 1976. A projected increase in level of business activity will be helpful in increasing the demand for fuels, structural materials and non-metallic minerals.

MANUFACTURING

MANUFACTURING

For 1975, performances exhibited by manufacturing industries were a story of mixed trends. On the whole, gains continued both in respect of employment and shipments. At an estimated level of $1,700 million, the gross value of manufacturing shipments was up nearly 4.2%. This, however, was well below an increase of 40% experienced the year before. Average employment rose for the third year in a row, by 2,000, to a level of 37,000. Wages and salaries paid continued notable growth at an annual rate estimated at 20%. This enlargement of the work force took place in spite of difficult times throughout the wood (especially sawmills) and pulp and paper industries.

On the negative side in the industry categories, shipments were down nearly 15% in wood industries. This circumstance was concurrent with a drop of more than 22% in sawn lumber production (sawmills are included in this category), which directly followed a decline of nearly 8% in 1974. There is the likelihood of some recovery in this industry during 1976 as advances in residential construction are expected both in Canada and the United States.

Despite increases recorded during the first half of 1975, transportation equipment industries declined over 10%. The closure of Bricklin Canada Ltd. affected about 450 employees in Saint John and Minto.

Reflecting the general scene within the industry, paper and allied shipments were down over $10 million or 2.1%; this coincided with a 17% drop in pulp and paper production.

The most dramatic increase of the year was for the chemicals and chemical products group which advanced by over 58%, increasing its share of total manufacturing shipments from 3% to 5%. A series of small but steady increases caused the furniture and fixture and non-metallic mineral products categories to increase by 19% and 17% respectively; the food and beverage group continued its growth trend, advancing by 9.3%.

The effect of price increases must be taken into account to complete the picture. January-October averages in the Canadian industry selling price indexes (the latest data published) are used to indicate general changes in prices, since provincial data are not available. Because of national-provincial differences in industrial structure and commodities produced, these price indexes may not be representative of prices received by New Brunswick manufacturers. However, they should indicate the general magnitudes involved.

An increase of nearly 19% in prices within paper and allied industries suggests a "real" decrease of about 22% in shipments (using the national price index as a deflator). Similar price increases in the non-metallic mineral products group indicate that there was a "real" drop of about 2% in shipments rather than an appreciable increase. However, increased prices could not prevent "real" growth of 4%, 6% and 50% in the food and beverages, furniture and fixtures and chemicals and chemical products groups, respectively. For manufacturing as a whole, price increases were severe enough to indicate a "real" decline, in the value of gross shipments, of about 5%.

As in 1974, record investments intentions were recorded by manufacturing. The 1975 mid-year survey put the year-to-year increase at 19%, to bring the total for new facilities to $227 million. An additional $42 million was planned for repairs to existing plants.

During the year there were several announcements of manufacturing firms locating new production facilities in the Province.

Work is nearing completion on the massive (in excess of $100 million) Irving Oil Refinery expansion in East Saint John. This expansion more than doubles existing

refining capacity. Part of the increased output will be used to supply the Coleson Cove Thermal Generating Station. The installation of three 315,000 Kw. turbine generators at this generating station will involve an investment of $120 million early in 1976. Talks are underway concerning the proposed expansion of dock facilities at the Saint John Shipbuilding and Drydock Company Limited.

Brunswick Mills Ltd., a sawmill capable of producing 50 million board-feet annually has commenced production. It forms the core of a pilot integrated forest products project in the Bathurst area.* Georgia Pacific Building Materials Ltd. is constructing a new plywood and chipping plant in McAdam. Approved capital cost is $16.7 million, and employment will be 196.

A plant to produce steel castings being built at a cost of $6.5 million by Atwood and Morrill Co. Ltd. is near completion in St. Stephen. Employment will be 142. Fibreglass Canada Ltd. will create 106 jobs when the $4 million plant being built in Moncton for the production of fibreglass insulation is completed. In Grand Falls, McCain Foods Limited is building a plant (at a cost of

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*Recently some problems with the quality of raw materials have been noticed and these are now being explored.

$2.5 million) to employ 90 workers in the production of frozen pizzas.

The expansion now in progress (at a cost of $1.9 million) of the plant at Lameque by L'Association Co-operative des Pêcheurs de L'Ile Lteé will create new employment of 34 involved in production of processed fish and canned crab. A new plant being constructed by Associated Fisheries of Canada Ltd. in Shippegan will cost $1.3 million, and will eventually employ 213 workers. This plant will process groundfish, crab, rock crab and lobster.

CONSTRUCTION

CONSTRUCTION

At an estimated $1,390 million (according to the 1975 mid-year survey), provincial investment intentions showed an increase of over 19% for 1975 above 1974. This continued the trend, in recent years, of rapid gains in this area. Construction in the various sectors accounted for $866 million, or 62% of this total, the remainder representing purchases of machinery and equipment. Thus, construction investment was also 19% higher than 1974 levels.

New construction valued at $745 million (an increase of 20%) was planned; growth in repair spending of 12% was expected to put that figure at $121 million. The mid-year prediction for total investment was $59 million higher than data from the survey taken at the beginning of the year. These increases occurred collaterally with a drop of 1,000 in employment in construction industries during the year, suggesting changes in the investment structure.

As in the previous year, capital expenditures in the manufacturing and utilities sectors were expected to contribute notable growth, advancing 21% (to $227 million), and 38% (to $301 million), respectively. After record growth during 1974, government and institutional construction experienced a relatively stable year, increasing slightly.

Building permits, particularly for residential construction, showed massive increases, pushing the total value of building permits to over $200 million for the first time in history (in fact the year-end total was over $231 million). To a great degree, the substantial growth was derived from advances in the commercial and residential sectors. Commercial construction had a record year in 1975 with building permits soaring to a value of nearly $53 million (a gain of over 62%), while residential construction enjoyed the best year since 1972, with a growth of about 49% in building permits, to surpass $115 million. Industrial construction continued to drop, following appreciable decreases the previous year.

After a record year in 1973 and a not unexpected decline in 1974 - both prices and mortgage rates rose substantially - housing starts rebounded to increase by 19% to a total of 6,983 by the end of 1975. Some of these increases could be due to a change in attitudes by buyers who waited through 1974 to discover whether mortgage rates would drop.

Starts in single detached units exhibited substantial growth during 1975, rising by 14% to 4,752 from 4,174 in 1974. However, more dramatic than this was an increase of 37% in apartment units (from 1,353 to 1,853) producing an

absolute increase greater than that for single detached units, and enlarging apartment units' share of total starts from 23% to 26.5%.

For completions a different picture emerged, with a drop of almost 15%. Total completions fell to 5,804 from 6,812 the previous year, and although apartment units completed suffered the most noticeable decline (over 18%), single detached units were cut back by over an eighth of 1974 levels (1,560 apartment units and 4,743 single family dwellings were completed in 1974: comparative figures for 1975 were 1,280 and 4,107).

The price situation turned about slightly from 1974 to produce increases in the residential building construction input price index in the Atlantic Provinces which were less severe than across-the-country averages. On the whole, the Canadian index showed an increase of 6.9%. Materials were up 1.5% from 1974 in the Atlantic Provinces; the labour component rose 11.3% (compared with increases of 3.4% and 13.2% nationally).

Regional indexes for non-residential construction are not available. Examination of the Canadian index gives some information about general price movements. In 1975, the total index rose 10.2%. Prices for materials advanced

by 5.4% while labour costs were up 14.1%. This would indicate that, while labour costs continued to accelerate, prices for materials exhibited more stable tendencies than in 1974 (the index as a whole increased 13.3% during 1974: materials were up 18.2% and labour prices rose 9.8%). In respect of the cost of materials, the most dramatic increases were in the concrete products group and the blocks, bricks and building stone group which advanced 20.5% and 14%, respectively. Many other groups increased very slightly, although roofing materials showed an increase of 10% and lumber and lumber products declined for the second year in a row, this time by 5.3%.

In recent years, the level of construction investment has been affected greatly by massive spending in the utilities sector. During the coming year, substantial new construction as well as expansion of existing units will continue this trend. Outside the utilities sector, indications are for a mixed year in construction. Housing starts are expected to at least equal record levels set in 1973. Surprisingly high results in Saint John during 1975 cause some abatement there to be anticipated, but most other areas of the Province are expected to register considerable growth in housing construction. In other areas, plant facilities already started, or committed for

the coming year indicate that the commercial and industrial sectors cannot reasonably be expected to repeat the record levels of 1975. Further, governments and institutional construction could incur sizeable cutbacks.

Major projects nearing completion by the end of 1975 included Unit 1 of the thermal generating station at Coleson Cove and the mammoth expansion of the Irving Oil Refinery in Saint John. During 1976, four projects are slated for conclusion in the Moncton area: C.N.R. facilities on John St., the Sports Centre at Université de Moncton, the Air Traffic Control Centre, and a new Senior Citizens Tower. The Regional Hospital in Fredericton will be completed early in the year, and the first phase (boiler installation) of Fraser's Mill in Edmundston should be ready around mid-year.

Long-term projects include the 1.2 million Kw. nuclear generating station at Point Lepreau, for which site work of the first 600,000 Kw. unit is underway. It is hoped that the thermal plant being built by the New Brunswick Electric Power Commission at Dalhousie will be finished within two years, and a large-scale undertaking by Fraser's Ltd., over the next few years has begun.

TRADE & SERVICES

TRADE AND SERVICES

Statistics on output of non-commodity industry groups are not available, but several indicators suggest that except for transportation, 1975 was a year in which the trade and service sector regained some of the relative position lost during 1973 and 1974. In 1973 and 1974 the commodity sector growth rate was almost double the trade and services sector, and in 1975 the rates were almost the same.

The gains in the non-commodity industries were led by the services and financial groups, with smaller percentage increases in real output in the government and trade sectors. The transportation group registered declines, with the impact of the nation wide recession, strikes and local factors affecting freight carriers more immediately than other industries. Despite this, indicators of value added for the non-goods sector suggest an increase that was close to that in the commodity sectors.

(1) Transportation Communication and Other Utilities

The transportation component suffered more than most. Port traffic for Saint John decreased by over 13% for outgoing traffic, and 28% for incoming traffic. In rail

freight, 1975 was another year of declines. Preliminary data indicate that loadings for 1975 were down by about 10% while unloadings decreased by more than that amount. Although recent statistics are not available on trucking, there appears to be some evidence that declines in that industry were also experienced during 1975.

The communication group, as represented by telephone statistics, grew slightly in 1975, but the rates of increase were considerably less than in 1974. Long distance calls were up by 19.4% and the number of telephones in service for the year increased by 7.2%, but these were less than respective growth rates of 22.9% and 8.6% in 1974. Statistics for broadcasting and other communication activities are not available, but it is reasonable to expect that increases in output were not significantly lower than in 1974.

In other utilities (electricity), the indicators also show a slight slowdown over the previous two or three years. The amount of electricity provided by N.B.E.P.C. was up by only 4.4% in 1975, the smallest annual increase in years. In 1974, the rate of advance was 11.3%, and 6.3% in 1973.

The transportation, communication and other utilities sector was therefore affected in 1975 more severely than most other industries. In 1976, the rate of decline in transportation should be reversed somewhat, especially towards the end of the year. As pulp and paper approaches

capacity production, and with a revival in the general business climate, freight movements and electricity production will increase.

(2) Trade

The main indicator of activity in trade is the value of retail sales for the year, and for 1975 the preliminary estimate shows an increase of about 13.5%, down from the 16.8% growth in 1974. In real terms, this was only about 2%, or slightly less than half the advance in 1974. Consequently, the rate of growth in the trade sector was off slightly from the trends in the early 1970's,but given the economic conditions and the performance of other industries in 1975, the trade sector represented one of the relatively stronger components.

With a restoration of consumer confidence, the growth in retail trade in 1976 should at least match the 1975 experience.

(3) Finance, Insurance and Real Estate

In the finance and insurance sectors, the indicators for 1975 were up higher than in many other industries. For example, cheques cashed in clearing centers increased by 35.5% in 1975, up significantly from the 28% increase in 1974. Life insurance sales were increased by 15.8% last year, but this was down from the record increase of 32.4%

in 1974. Based on these estimates, employment gains and wage and salary increases, it would appear that the finance and insurance industry registered output increases that were above the average for the economy as a whole.

The 1976 outlook is for further gains, especially if the rest of the economy performs as well as expected.

(4) Community Business and Personal Services

Although this sector is the largest single component of the provincial economy, it is the one which has the fewest indicators of activity. In 1975, based on the limited information available, it would appear that output increases both in absolute and relative terms were by far the largest of any sector in the non-commodity group. Since wages and salaries in the service sector comprise more of the value added than in other sectors, the estimates of wages and salaries for the year can be used as an approximation for the growth in output in the service sector. Based on this approach, it would appear that 1975 output was near a 30% increase over the 1974 level, which was about double the 1973-74 increase. Part of the reason for the unusually high gains relates to consumer reluctance to spend a large portion on commodities during the year, and the allocation of a larger portion of their budgets to services. This sector, therefore, besides being the largest element in the economy, also contributed the largest single component of total output growth in 1975.

In 1976, the growth rate should be less spectacular, but at rates that will provide a considerable impetus to total output gains.

(5) Public Administration and Defence

As in the other non-commodity sectors, there are no statistics which directly measure government output in the provincial economy. However, wage and salary and employment data, together with information from the government budget indicates that public administration and defence output grew during 1975, but at a slower rate than other non-commodity sectors (except transportation). In 1976, this sector will provide one of the smallest elements of G.P.P. growth in view of the restraint program undertaken by all levels of government.

STATISTICAL TABLES

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K E Y T O S Y M B O L S

..	figures not available
...	figures not appropriate or not applicable
___	nil or zero
--	amount too small to be expressed
p	preliminary figures
r	revised figures
x	confidential
*	OEA estimates

Table 1 - POPULATION

Year	New Brunswick	% Change	Canada	% Change	N.B. as % of Canada
1961	597,936	7.8	18,238,247	13.4	3.3
1966	616,788	3.2	20,014,880	9.7	3.1
1967	620,000	0.5	20,378,000	1.8	3.0
1968	625,000	0.8	20,701,000	1.6	3.0
1969	628,000	0.5	21,001,000	1.4	3.0
1970	627,000	-0.2	21,297,000	1.4	2.9
1971	634,557	1.2	21,569,000	1.3	2.9
1972	642,000	1.2	21,830,000	1.2	2.9
1973	652,000	1.6	22,095,000	1.2	3.0
1974	662,000	1.5	22,446,000	1.6	2.9
1975	675,000	2.0	22,800,000	1.6	3.0

Sources: Statistics Canada Census & Statistics Canada 11-003.

Table 2 - POPULATION BY AGE GROUP

Year	0-14	15-24	25-34	35-64	65+
1961	227,187	90,933	67,477	165,422	46,917
1966	222,062	107,898	65,198	171,312	50,318
1971	203,105	126,325	73,925	176,500	54,700
1972	200,900	130,900	77,500	177,200	55,500
1973	197,800	134,900	83,500	179,000	56,700
1974	195,800	139,000	88,600	180,400	58,000
1975*	195,700	143,800	93,100	182,600	59,800

Sources: Statistics Canada Census & Statistics Canada 91-202.

Chart 1 - POPULATION BY AGE GROUPS

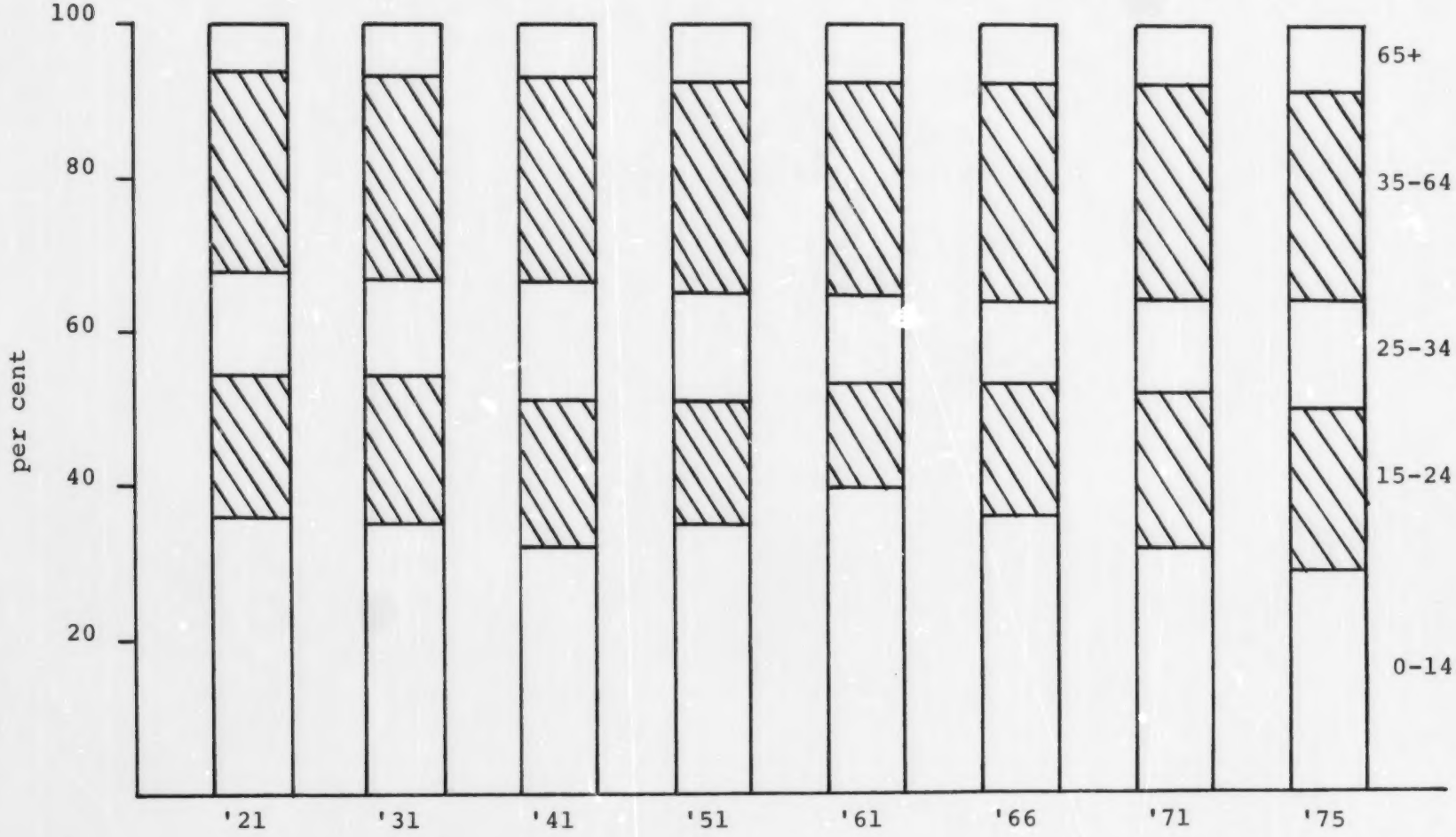

Table 3 - VITAL STATISTICS

Year Ending May 31	Live Births	Deaths	Natural Increase	Actual Increase	Net Migration
1966	13,604	4,728	8,876	2,000	-6,900
1967	12,558	4,761	7,797	3,000	-4,800
1968	12,059	5,019	7,040	5,000	-2,000
1969	11,533	4,840	6,693	3,000	-3,700
1970	11,527	4,856	6,671	-1,000	-7,700
1971	11,983	4,951	7,032	8,000	+1,000
1972	12,048	5,032	7,016	7,000	-
1973	11,636	4,959	6,677	10,000	+3,300
1974	11,270	5,290	5,980	10,000	+4,000
1975*	11,800	5,300	6,500	13,000	+6,500

Sources: Statistics Canada 11-003 & 84,202.

Chart 2 - VITAL STATISTICS

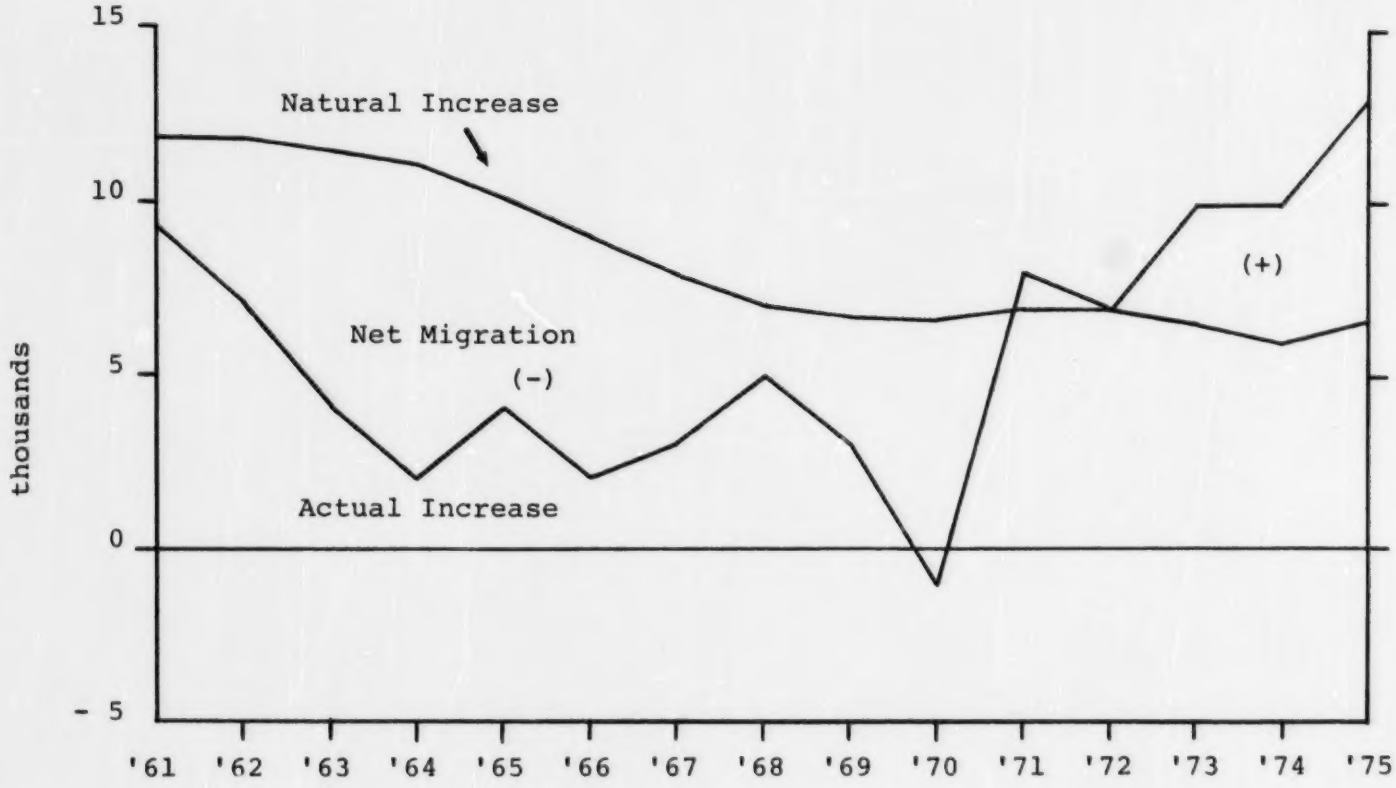

Table 4 - PERSONAL INCOME PER CAPITA

(dollars)

Year	New Brunswick	Nova Scotia	Ontario	Canada	% of Ontario	% of Canada
1961	1,122	1,284	1,954	1,651	57.4	68.0
1962	1,169	1,334	2,062	1,764	56.7	66.3
1963	1,233	1,389	2,156	1,840	57.2	67.0
1964	1,324	1,468	2,267	1,933	58.4	68.5
1965	1,431	1,562	2,436	2,091	58.7	68.4
1966	1,587	1,722	2,680	2,303	59.2	68.9
1967	1,721	1,903	2,884	2,482	59.7	69.3
1968	1,893	2,060	3,146	2,690	60.2	70.4
1969	2,062	2,279	3,470	2,943	59.4	70.1
1970	2,252	2,423	3,705	3,129	60.8	72.0
1971	2,518	2,668	4,006	3,425	62.9	73.5
1972	2,840	3,040	4,425	3,812	64.2	74.5
1973	3,132	3,455	4,908	4,322	63.8	72.5
1974	3,702	3,990	5,559	4,966	66.6	74.5
1975	4,335	..	..	..	..	..

Sources: Statistics Canada 13-201 & 13-502.

Table 5 - COMPONENTS OF PERSONAL INCOME

(millions of dollars)

Year	Wages & Salaries	Farm Income	Business Income	Investment Income	Transfer Payments	Total[1]
1961	423	11	69	36	95	671
1962	446	15	71	42	97	707
1963	474	12	78	45	103	751
1964	516	18	77	50	108	809
1965	570	18	80	53	115	880
1966	649	8	83	59	126	979
1967	708	9	86	61	143	1,067
1968	758	17	98	68	184	1,183
1969	854	10	103	79	194	1,295
1970	926	17	110	84	217	1,412
1971	1,060	11	124	90	253	1,599
1972	1,166	21	131	108	330	1,823
1973	1,300	33	139	123	374	2,042
1974	1,568	21	148	150	486	2,451
1975	1,893	..	..	..	..	2,926

[1]Components do not add to total.
Source: Statistics Canada 13-201.

Chart 3 - AVERAGE ANNUAL RATES OF GROWTH IN GROSS OUTPUT

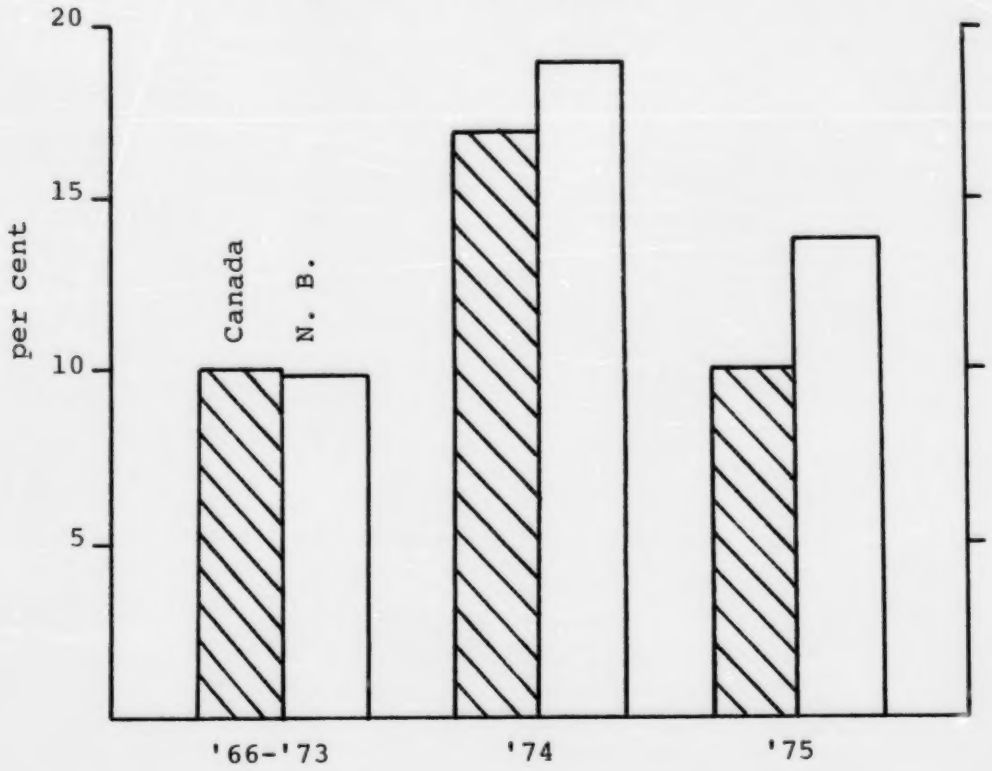

Table 6 - GROSS NATIONAL PRODUCT AND GROSS PROVINCIAL PRODUCT

Year	GPP*	GNP	GPP/capita	GNP/capita	GPP/capita / GNP/capita
	($ million)	($ million)	($)	($)	(%)
1961	842	39,646	1,409	2,174	64.8
1962	889	42,927	1,470	2,310	63.6
1963	937	45,978	1,539	2,429	63.4
1964	1,035	50,280	1,695	2,606	65.0
1965	1,133	55,364	1,842	2,818	65.4
1966	1,266	61,828	2,051	3,089	66.4
1967	1,357	66,409	2,189	3,259	67.2
1968	1,469	72,586	2,350	3,506	67.0
1969	1,600	79,815	2,548	3,800	67.1
1970	1,739	85,685	2,774	4,023	69.0
1971	1,942	93,462	3,058	4,333	70.6
1972	2,145	103,952	3,341	4,762	70.2
1973	2,428	120,438	3,724	5,451	68.3
1974	2,887	140,880	4,361	6,276	69.5
1975*	3,285	154,990	4,867	6,798	71.6

Sources: Statistics Canada 13-001 & 13-201.

Table 7 - NET VALUE OF COMMODITY PRODUCTION BY INDUSTRY

(thousands of dollars)

Year	Agriculture	Forestry	Fisheries	Trapping	Mining
1963	25,964	22,797	9,350	221	10,700
1964	31,963	27,618	10,321	159	25,136
1965	40,532	24,456	10,672	254	36,472
1966	37,553	32,593	11,198	250	31,522
1967	27,168	32,680	10,926	256	35,014
1968	30,075	32,016	15,654	134	38,792
1969	30,769	29,356	15,985	236	41,004
1970	38,269	32,554	17,639	301	34,843
1971	32,412	36,004	16,374	138	37,355
1972	37,994	39,388	20,037	294	39,249
1973	63,058	60,073	22,206	415	73,233
1974*	80,000	65,000	21,000	805	85,000

Year	Electric Power	Manufactures	Construction	Total	% Change
1963	24,473	167,667	53,471	314,643	..
1964	25,946	188,990	70,333	380,465	20.9
1965	29,500	196,237	97,876	435,999	14.6
1966	32,041	211,295	112,638	469,090	7.6
1967	35,040	210,129	119,449	470,662	0.3
1968	37,484	240,753	114,564	509,471	8.2
1969	44,868	269,859	113,649	545,726	7.1
1970	49,681	270,674	152,860	596,821	9.4
1971	51,113	280,416	170,798	624,610	4.7
1972	63,035	339,021	164,744	703,762	12.7
1973	71,340	434,296	245,000	969,621	37.8
1974*	75,000	610,000	350,000	1,286,805	32.7

Source: Statistics Canada 61-202.

Table 8 - PUBLIC AND PRIVATE INVESTMENT

(millions of dollars)

	1970	1971	1972	1973	1974[1]	1975[2]
New Capital Expenditures	471.3	496.7	487.2	636.0	946.8	1,142.9
New Construction:	273.6	285.6	299.2	427.1	620.0	744.7
Primary & Construction	12.0	15.7	12.9	14.1	16.1	30.3
Manufacturing	37.7	47.0	10.7	26.8	94.5	118.2
Utilities	32.9	27.0	31.6	60.6	92.8	127.0
Trade & Finance	17.8	20.3	26.9	33.3	32.3	46.9
Housing	62.6	82.3	123.7	166.3	184.4	198.5
Gov't & Institutional	110.6	93.3	93.4	126.0	199.9	223.8
New Machinery & Equipment:	197.7	211.1	188.0	208.9	326.8	398.2
Primary & Construction	23.5	27.9	29.2	41.2	50.6	57.1
Manufacturing	104.1	91.4	71.5	44.6	92.5	108.9
Utilities	30.0	52.9	50.1	70.5	125.2	173.8
Trade & Finance	21.4	21.4	27.3	35.0	37.5	36.5
Housing	-	-	-	-	-	-
Gov't & Institutional	18.7	17.5	9.9	17.6	21.0	21.9
Repair Expenditures	132.7	139.0	155.6	184.2	218.8	246.9
Primary & Construction	17.2	19.4	18.5	23.2	25.9	31.0
Manufacturing	27.0	28.0	32.1	32.9	43.4	46.7
Utilities	28.5	31.1	39.5	46.3	55.0	67.4
Trade & Finance	7.7	6.8	8.3	8.8	9.4	10.3
Housing	23.8	23.5	26.0	30.0	35.3	40.3
Gov't & Institutional	28.5	30.2	31.2	43.0	49.8	51.2
Total Investment	604.0	635.7	642.8	820.2	1,165.6	1,389.8

[1]Preliminary actual.

[2]Revised intentions.

Sources: Statistics Canada 61-205 & 61-206.

Table 9 - AVERAGE WEEKLY WAGES AND SALARIES[1]
(dollars)

Year	New Brunswick	Nova Scotia	Ontario	Canada
1965	74.76	73.43	94.41	91.01
1966	79.21	77.04	99.40	96.34
1967	85.25	82.64	105.86	102.83
1968	89.55	88.19	113.52	109.90
1969	96.80	94.51	121.56	117.64
1970	104.01	104.21	131.52	126.82
1971	113.36	112.82	143.04	137.64
1972	125.08	123.20	154.92	149.22
1973	133.97	134.44	165.61	160.46
1974	154.58	149.98	181.43	178.09
1975*	181.00	..	..	..

[1]Covers firms with 20 or more employees.
Sources: Statistics Canada 11-505, 72-002, & 72-201.

Table 10 - AVERAGE WEEKLY WAGES AND SALARIES BY INDUSTRY[1]

(dollars)

Year	Forestry	Manufacturing	Construction	Transportation Communication and Other Utilities
1966	62.29	82.68	93.85	89.16
1967	70.40	87.63	99.91	99.62
1968	74.79	92.16	98.66	107.44
1969	83.19	98.39	113.10	115.95
1970	89.47	107.23	121.56	125.11
1971	101.24	115.91	144.53	134.02
1972	120.61	126.22	157.84	150.19
1973	133.58	136.92	166.46	158.98
1974	159.29	157.40	194.84	184.90

Year	Trade	Finance Insurance and Real Estate	Service	Industrial Composite
1966	63.77	80.98	47.97	79.21
1967	67.78	87.28	48.33	85.25
1968	71.17	92.02	55.34	89.55
1969	76.68	99.27	59.74	96.80
1970	81.52	103.76	65.87	104.01
1971	89.02	110.12	74.56	113.36
1972	100.98	119.20	81.25	125.08
1973	109.65	129.87	84.94	133.97
1974	121.53	146.16	98.34	154.58

[1]Covers firms with 20 or more employees.

Sources: Statistics Canada 72-002 & 72-201.

Table 11 - LABOUR FORCE STATISTICS, NEW BRUNSWICK

Year	Labour Force Population			Labour Force			Employed	Unemployed
	Male	Female	Total	Male	Female	Total	Total	Total
	(thousands)							
1965	197	202	399	144	57	201	185	16
1966	200	206	406	145	59	204	190	14
1967	203	210	413	144	60	204	190	14
1968	207	215	422	144	63	208	193	15
1969	211	219	430	147	65	212	194	18
1970	214	222	436	148	65	213	196	17
1971	217	225	442	147	68	215	198	16
1972	222	230	452	152	74	226	207	19
1973	228	236	464	160	80	239	218	22
1974	234	242	476	168	81	250	227	23
1975	241	249	490	171	89	260	230	30

Source: Statistics Canada 71-001.

Table 11A - REVISED LABOUR FORCE STATISTICS, NEW BRUNSWICK[1]

Year	Population	Labour Force	Employed	Unemployed	Unemployment Rate	Participation Rate
	('000)	('000)	('000)	('000)	(%)	(%)
1970	411	205	192	13	6.3	49.9
1971	422	210	198	13	6.2	49.8
1972	434	222	206	16	7.2	51.2
1973	446	235	217	18	7.8	52.7
1974	458	244	226	19	7.8	53.3
1975	472	254	229	25	9.9	53.8

[1] Preliminary.

Source: Statistics Canada, unpublished data.

Table 12 - LABOUR FORCE PARTICIPATION AND UNEMPLOYMENT RATES

Year	Participation Rate (%)				Unemployment Rates (%)			
	N.B.	N.S.	Ontario	Canada	N.B.	N.S.	Ontario	Canada
1965	50.4	49.0	56.7	54.4	7.9	5.4	2.5	3.9
1966	50.2	49.8	57.2	55.1	6.9	5.2	2.5	3.6
1967	49.4	50.1	57.6	55.5	6.9	5.6	3.1	4.1
1968	49.3	49.8	57.7	55.5	7.2	5.9	3.5	4.8
1969	49.3	49.7	58.0	55.8	8.5	5.4	3.1	4.7
1970	48.9	49.4	58.0	55.8	8.0	5.7	4.3	5.9
1971	48.6	49.3	58.3	56.1	7.4	7.6	5.2	6.4
1972	50.0	49.1	59.1	56.5	8.4	7.5	4.8	6.3
1973	51.5	50.5	59.7	57.5	9.2	6.8	4.0	5.6
1974	52.5	52.5	60.7	58.3	9.2	6.7	4.1	5.4
1975	53.1	52.0	61.3	58.8	11.5	7.9	6.0	7.1

Source: Statistics Canada 71-001.

Table 13 - EMPLOYED BY INDUSTRY, NEW BRUNSWICK

(thousands)

Industry	1967	1968	1969	1970	1971	1972	1973	1974	1975
Primary Industries	23	23	21	20	19	17	19	20	19
Manufacturing	31	33	33	33	34	32	34	36	38
Construction	14	13	13	13	15	15	16	19	18
Transportation, Communication and Other Utilities	22	22	24	24	21	21	25	28	25
Trade	36	37	35	36	36	40	42	42	44
Finance, Insurance and Real Estate	6	6	6	5	6	8	8	7	8
Community, Business and Personal Services	45	47	48	51	53	58	59	57	61
Public Administration and Defence[1]	13	13	13	13	14	16	16	18	18

[1]Excludes military personnel.
Source: Statistics Canada 71-001.

Table 14 - FARM CASH RECEIPTS FROM FARMING OPERATIONS

(thousands of dollars)

	1970	1971	1972	1973	1974	1975*
Oats	194	171	164	190	282	331
Potatoes	19,197	13,396	18,217	39,458	46,318	31,515
Fruits	1,026	2,001	2,156	3,018	1,742	2,787
Vegetables	1,694	1,639	1,868	1,971	2,565	2,665
Other Crops	1,426	1,442	1,697	2,739	3,058	2,775
Total Crops	23,537	18,649	24,102	47,376	53,965	40,073
Cattle & calves	8,367	7,541	9,892	10,175	7,935	7,385
Hogs	4,260	4,069	4,506	5,744	5,779	7,616
Sheep & lambs	168	163	138	129	172	174
Dairy products	10,804	10,921	11,858	13,113	15,978	19,278
Poultry	4,363	4,238	5,001	8,200	8,971	8,274
Eggs	3,831	4,054	4,545	6,834	5,936	6,260
Other livestock & products	513	502	572	709	713	730
Total livestock & products	32,306	31,488	36,512	44,904	45,484	49,717
Forest & maple products	1,864	1,854	2,061	2,285	2,553	2,848
Dairy supplementary payments	761	800	805	977	1,560	1,808
Deficiency payments	18	10	1,473	4	9	4,606
Total Cash Receipts	58,486	52,801	64,953	95,546	103,571	99,052

Sources: Statistics Canada 21-201 & "Situation Outlook '76', Agriculture Canada.

Chart 4 - FARM CASH RECEIPTS

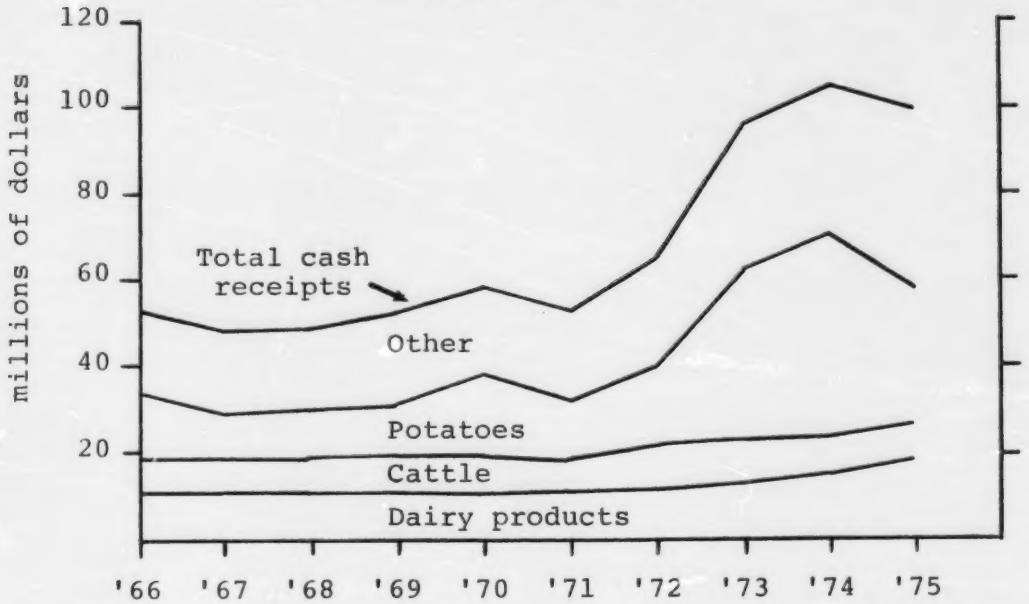

Table 15 - COMPONENTS OF FARM INCOME

(thousands of dollars)

Year	Total Cash Receipts	Total Gross Income[1]	Operating & Depreciation Costs	Total Net Income
1965	59,951	65,908	41,477	24,431
1966	53,134	65,008	43,343	21,665
1967	48,544	53,416	43,080	10,336
1968	49,559	56,762	44,783	11,979
1969	52,757	56,918	46,345	10,573
1970	58,486	64,465	42,215	22,250
1971	52,801	59,097	43,401	15,696
1972	64,953	64,657	46,105	18,552
1973	95,546	97,710	55,708	42,002
1974	103,571	124,836	68,632	56,204
1975*	99,052	93,200	77,900	15,300

[1]Total gross income equals total cash receipts plus income in kind and an adjustment for the value of inventory change.

Sources: Statistics Canada 21-202 & "Situation Outlook '76", Agriculture Canada.

Table 16 - PRINCIPAL STATISTICS OF THE LOGGING INDUSTRY

Year	Establishments	Total Employees	Salaries & Wages	Value Added	Value of Shipments
	(number)		(thousands of dollars)		
1963	256	4,378	15,098	22,797	44,215
1964	252	4,520	16,861	27,618	51,527
1965	217	4,081	15,856	24,456	62,229
1966	218	4,756	20,382	32,593	66,012
1967	195	4,611	21,812	32,680	71,091
1968	177	3,999	20,548	32,016	72,646
1969	192	3,369	19,822	29,356	77,527
1970	209	3,599	22,299	32,554	85,853
1971	201	3,466	23,093	36,004	94,911
1972	240	3,348	24,437	39,388	95,017
1973	273	4,533	35,332	60,073	139,490

Source: Statistics Canada 25-201.

Table 17 - ESTIMATES OF TOTAL FOREST PRODUCTION
(cunits)

Year	Logs & Bolts	Pulpwood	Fuelwood	Other	Total
1963	658,800	1,164,240	148,960	10,580	1,982,580
1964	764,050	1,040,140	130,950	19,890	1,955,030
1965	857,800	972,570	111,930	10,670	1,952,970
1966	672,980	1,323,440	115,880	13,910	2,126,210
1967	604,400	1,320,040	104,430	9,130	2,038,000
1968	729,660	1,525,490	91,060	34,380	2,380,590
1969	638,060	1,611,150	88,770	26,160	2,364,140
1970	661,020	1,663,860	70,170	11,590	2,406,640
1971	627,990	1,735,000	67,120	8,350	2,438,460
1972	646,000	1,825,000	63,000	17,610	2,551,610
1973	854,000	2,210,000	54,800	12,800	3,131,600

Source: Statistics Canada 25-201.

Chart 5 - VALUE ADDED BY FOREST-RELATED INDUSTRIES

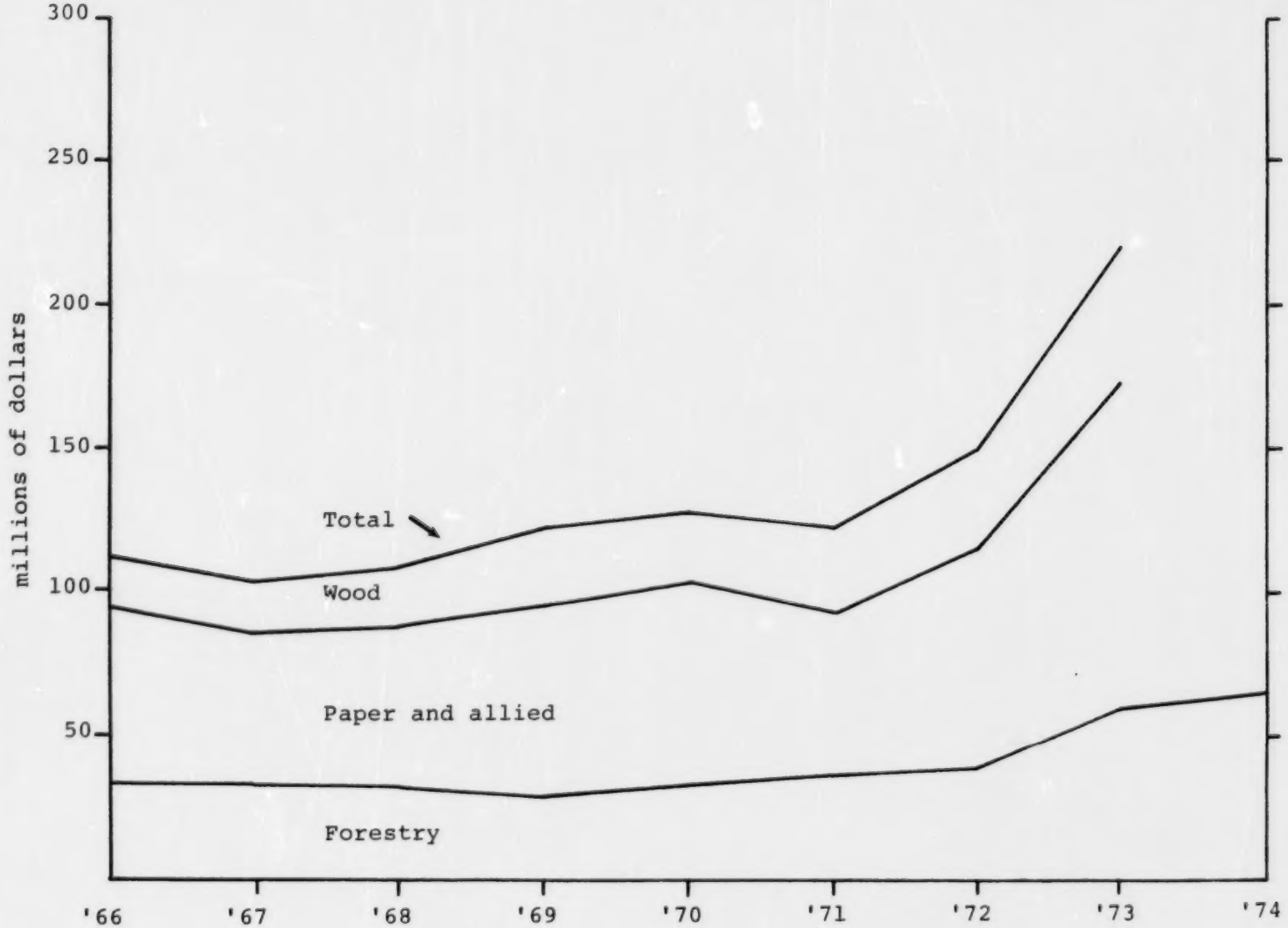

Chart 6 - VALUE OF SEAFISH LANDINGS

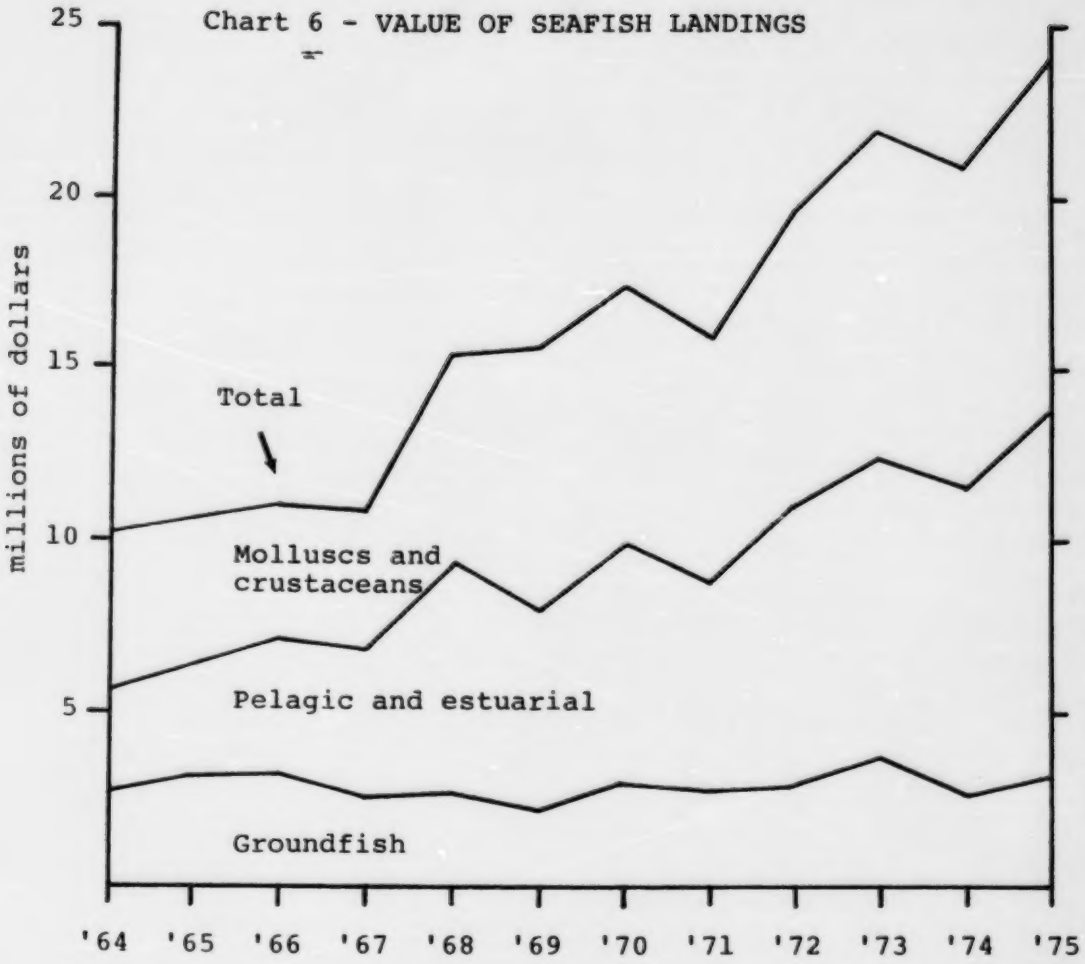

Table 18 - PRINCIPAL STATISTICS OF THE FISHING INDUSTRY

Year	Seafish Landings		New Capital Investment	Number of Fishermen
	Quantity ('000 lbs.)	Value ($'000)	($'000)	
1965	290,648	10,525	2,542	6,102
1966	346,231	11,005	2,990	5,822
1967	354,860	10,789	4,389	5,665
1968	540,370	15,487	3,579	5,766
1969	514,580	15,744	4,538	5,358
1970	445,471	17,370	3,496	5,081
1971	356,052	15,959	8,748	5,184
1972	348,531	19,697	4,373	5,067
1973	280,794	21,940	..	5,059
1974*	247,524	20,996	..	..
1975*	259,663	24,076	..	..

Sources: Statistics Canada 24-201, 24-204 & Department of Fisheries.

Table 19 - VALUE OF SEAFISH LANDINGS BY MAJOR SPECIES

(thousands of dollars)

Species	1970	1971	1972	1973	1974*	1975*
Groundfish	2,980	2,806	2,974	3,847	2,724	3,349
Cod	943	965	1,101	979	966	1,203
Haddock	203	117	68	58	46	72
Plaice	547	441	420	408	614	760
Redfish	1,018	1,013	1,165	2,016	715	925
Other	269	270	220	386	383	389
Pelagic & Estuarial	7,037	6,017	8,128	8,410	8,884	10,549
Herring	4,471	3,685	5,311	4,116	4,403	4,538
Salmon	508	246	22	26	13	10
Smelts	250	183	182	226	264	212
Tuna	1,419	1,456	2,244	3,501	3,474	5,233
Other	389	447	369	709	730	556
Molluscs & Crustaceans	7,260	7,077	8,376	9,480	9,148	10,113
Clams	329	509	529	569	276	211
Crabs	1,079	820	1,513	2,461	2,247	1,582
Lobsters	4,740	4,768	5,270	5,685	5,627	7,345
Scallops	753	659	715	438	264	280
Shrimp	256	177	185	171	493	334
Other	103	144	164	157	241	361
Viscera	93	59	219	203	240	65
Total	17,370	15,959	19,697	21,940	20,996	24,076

Sources: Statistics Canada 24-002, 24-201, 24-204 & Department of Fisheries.

Table 20 - MINERAL PRODUCTION-QUANTITY

Mineral	Unit	1974	1975p
Copper	'000 lbs.	25,063	26,277
Lead	'000 lbs.	105,444	124,527
Zinc	'000 lbs.	330,271	406,286
Gypsum	'000 tons	87	59
Peat Moss	'000 tons	95	89
Sulphur	'000 tons	39	40
Sand, Gravel	'000 tons	8,251	6,500
Stone	'000 tons	2,899	2,600
Coal	'000 tons	415	450
Crude Oil	'000 bbl.	8	8
Natural Gas	'000 mcf.	88	90

Sources: Statistics Canada 26-202 & Department of Natural Resources.

Table 21 - PRINCIPAL STATISTICS OF THE MINERAL INDUSTRIES

Year	Number of Employees	Wages & Salaries	Value Added	Value of Production
		(thousands of dollars)		
1961	1,285	4,223	7,464	10,617
1962	1,482	5,073	10,018	15,788
1963	1,471	5,354	10,700	18,240
1964	1,865	7,383	25,136	44,060
1965	2,060	9,004	36,472	66,694
1966	2,247	10,191	31,522	66,212
1967	2,300	11,168	35,013	74,380
1968	2,596	13,799	38,792	76,965
1969	2,405	14,092	41,004	80,726
1970	2,426	14,942	34,843	76,726
1971	2,663	18,367	37,355	81,846
1972	2,349	17,620	39,249	90,953
1973	2,588	21,206	73,233	139,281

Source: Statistics Canada 26-201.

Table 22 - MINERAL PRODUCTION-VALUE

(thousands of dollars)

	1970	1971	1972	1973	1974	1975[P]
Metallics	89,940	91,049	98,773	132,789	184,143	221,882
Copper	9,314	10,841	10,502	13,155	19,429	16,739
Lead	19,830	17,659	14,036	14,207	21,833	25,341
Zinc	51,324	54,043	66,571	92,992	115,265	152,357
Non-Metallics	2,785	2,903	3,821	4,244	5,639	5,667
Gypsum	157	259	220	266	305	230
Peat Moss	2,398	2,476	3,368	3,538	4,808	4,900
Sulphur	231	168	232	440	526	537
Structural Materials	8,979	9,242	14,025	23,074	18,295	16,688
Cement	3,297	2,829	4,564	5,203	4,587	4,403
Sand, Gravel	1,969	2,593	4,585	10,550	5,558	4,500
Stone	2,773	2,900	3,557	5,486	5,744	5,200
Fuels	3,086	4,039	3,553	3,434	5,442	7,156
Coal	2,964	3,935	3,484	3,390	5,387	7,100
All Minerals	104,791	107,233	120,171	163,550	213,519	251,393

Sources: Statistics Canada 26-201, 26-202, 26-203 & Department of Natural Resources.

Chart 7 - PRINCIPAL STATISTICS OF THE MANUFACTURING INDUSTRY

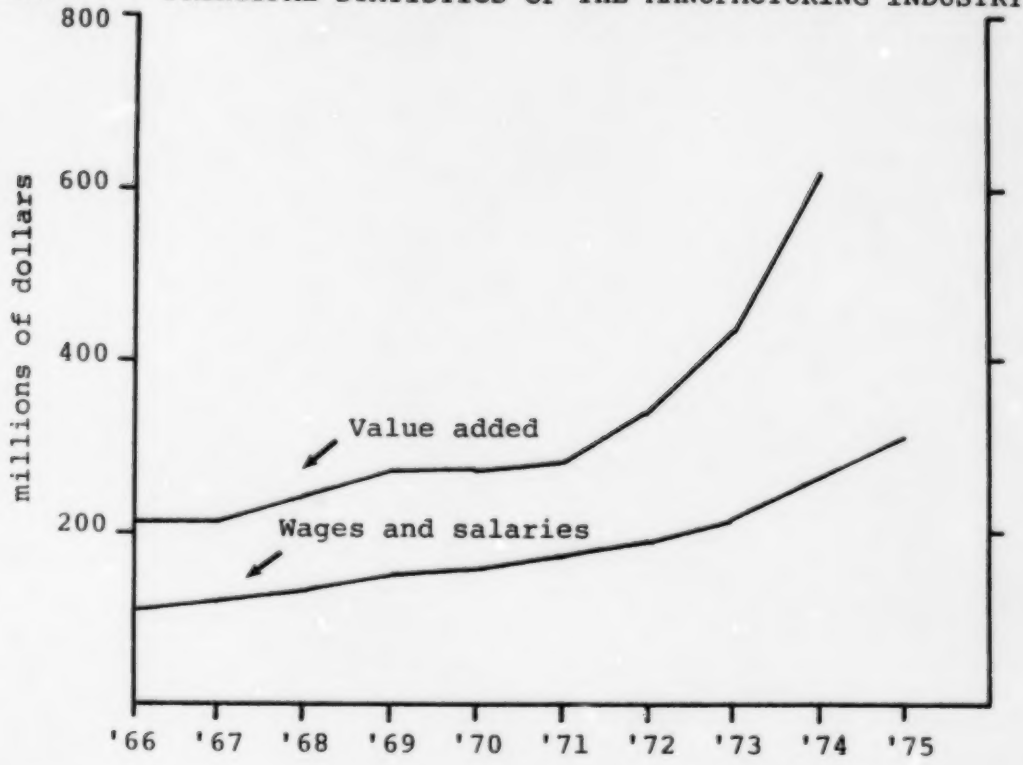

Table 23 - PRINCIPAL STATISTICS OF THE MANUFACTURING INDUSTRY

Year	Number of Employees	Wages & Salaries	Value Added	Factory Shipments
			(thousands of dollars)	
1965	25,153	99,771	196,237	512,705
1966	25,749	110,387	211,295	547,197
1967	26,770	121,406	210,129	573,897
1968	28,139	133,380	240,753	633,577
1969	28,984	148,206	269,859	708,939
1970	28,751	158,281	270,674	730,223
1971	28,565	173,118	280,416	806,806
1972	29,640	191,231	339,021	965,046
1973	33,239	213,639	434,296	1,174,901
1974*	35,000	260,000	610,000	1,640,000
1975*	37,000	312,000	..	1,690,000

Source: Statistics Canada 31-204.

Table 24 - LEADING MANUFACTURING INDUSTRIES

Industry		Estab'nt	Employees	Wages & Salaries	Value Added	Shipments	
						Value	Distribution
		(#)	(#)	(thousands of dollars)			(%)
Food & beverage	1961	245	7,407	19,822	43,566	134,363	34.4
	1973	174	12,847	53,585	117,957	345,768	29.4
Wood	1961	260	3,046	7,665	13,940	30,494	7.8
	1973	128	3,963	23,472	48,086	108,601	9.2
Paper & allied	1961	19	4,668	22,961	51,344	113,579	29.1
	1973	20	5,595	55,999	113,158	308,345	26.2
Metal fabricating	1961	31	1,090	4,337	6,058	12,081	3.1
	1973	41	1,664	12,280	20,642	40,844	3.5
Transportation equipment[1]	1961	X	X	X	X	X	X
	1973	21	2,186	20,087	36,121	78,688	6.7
Electricial Products	1961	4	798	2,681	3,644	7,144	1.8
	1973	7	1,093	6,906	13,071	25,069	2.1
Non-metallic mineral products	1961	28	559	1,959	4,530	7,874	2.0
	1973	36	1,074	8,302	18,683	31,707	2.7
Chemical & chemical products	1961	7	162	634	1,387	5,334	1.4
	1973	13	467	3,790	10,851	31,224	2.7
Other Manufacturing	1961	89	4,235	13,287	24,723	71,833	18.4
	1973	145	4,350	29,218	55,727	204,655	17.4
Total	1961	733	22,932	76,796	154,915	390,573	100.0
	1973	585	33,239	213,639	434,296	1,174,901	100.0

[1] In 1961 transportation equipment is included in other manufacturing.
Source: Statistics Canada 31-204.

Table 25 - DWELLING STARTS AND COMPLETIONS

Year	Starts			Completions		
	N. B.	N. S.	Canada	N. B.	N. S.	Canada
1965	2,829	3,808	166,565	2,947	3,471	153,037
1966	2,530	2,929	134,474	2,997	3,588	162,192
1967	2,546	2,608	164,123	2,404	2,581	149,242
1968	3,327	4,413	196,878	2,914	3,058	170,993
1969	3,664	6,842	210,415	3,615	5,029	195,826
1970	3,182	5,878	190,528	3,126	5,861	175,827
1971	4,930	7,308	233,653	3,650	5,982	201,232
1972	6,358	5,164	249,914	5,331	5,158	232,227
1973	7,235	7,734	268,529	7,036	5,534	246,581
1974	5,861	6,008	222,123	6,812	6,604	257,243
1975	6,983	6,366	231,456	5,804	6,249	216,964

Sources: Statistics Canada 64-002 & CMHC.

Table 26 - CONSTRUCTION ACTIVITY

Year	Labour Content		Costs of Materials Used	Value of Work Performed
	Number	Value		
			(thousands of dollars)	
1965	19,131	80,833	128,450	255,314
1966	17,767	87,363	138,190	282,378
1967	16,976	90,834	135,968	295,497
1968	17,457	91,415	131,250	274,306
1969	16,992	101,095	136,686	286,731
1970	19,018	121,614	151,236	339,898
1971	17,077	130,730	147,047	351,857
1972	15,913	131,887	158,766	373,021
1973	21,840	191,054	212,333	517,861
1974[1]	28,221	267,840	289,869	728,569
1975[2]	29,733	314,245	335,718	835,509

[1]Preliminary.

[2]Intentions.

Source: Statistics Canada 64-201.

Table 27 - VALUE OF CONSTRUCTION BY TYPE OF STRUCTURE

(thousands of dollars)

	1970	1971	1972	1973	1974[1]	1975[2]
Building construction:	197,019	204,732	231,682	323,549	372,011	434,290
Residential	86,400	105,764	149,741	196,298	219,704	220,318
Industrial	29,535	27,024	12,055	22,246	20,333	35,768
Commercial	27,106	29,920	40,343	48,791	58,723	88,099
Institutional	47,779	34,893	23,382	44,281	60,464	71,111
Other building construction	6,199	7,131	6,161	11,933	12,787	18,994
Engineering construction:	142,879	147,125	141,339	194,312	356,558	401,219
Marine construction	11,996	7,319	5,898	14,492	32,630	17,647
Road, highway & aerodrome construction	50,687	38,646	42,624	58,010	99,159	109,428
Waterworks & sewage system	9,210	15,281	14,492	21,243	36,262	35,388
Dams & irrigation	828	437	3,948	1,122	1,501	1,554
Electric power construction	19,819	14,181	19,035	35,110	48,668	109,400
Railway, telephone & telegraph	16,701	17,695	20,430	25,756	33,419	46,713
Gas & oil facilities	882	7,946	756	685	646	1,279
Other engineering construction	32,756	45,620	34,156	37,894	104,273	79,810
Total	339,898	351,857	373,021	517,861	728,569	835,509

[1]Preliminary actual.

[2]Intentions.

Source: Statistics Canada 64-201.

Table 28 - VALUE OF BUILDING PERMITS ISSUED

(thousands of dollars)

Year	Total Residential	Industrial	Commercial	Institutional and Government	Total
1961	10,804	1,325	9,003	9,091	30,223
1962	10,745	1,878	6,232	7,908	26,763
1963	14,762	6,187	6,403	9,015	36,367
1964	19,809	5,310	12,913	15,853	53,885
1965	20,602	28,884	8,612	14,448	72,546
1966	15,538	4,105	9,642	16,642	45,927
1967	14,724	3,443	10,786	30,699	59,652
1968	25,641	7,420	11,656	30,152	74,869
1969	24,977	11,389	10,796	37,327	84,489
1970	26,510	11,437	13,795	10,704	62,446
1971	35,830	36,739	19,143	9,066	100,778
1972	64,742	3,658	39,607	21,860	129,867
1973	68,394	20,378	38,754	17,734	145,260
1974	77,587	16,587	32,454	41,002	167,630
1975*	115,400	16,400	52,700	46,600	231,100

Sources: Statistics Canada 64-001 & 64-203.

Table 29 - RETAIL TRADE

Year	Total (millions of dollars)			Per Capita (dollars)		
	N. B.	N. S.	Canada	N. B.	N. S.	Canada
1961	435.8	580.3	16,072.9	729	787	881
1962	446.7	602.4	17,137.2	738	808	922
1963	474.4	631.6	18,207.1	779	841	962
1964	514.8	663.6	19,492.9	843	879	1,011
1965	569.8	711.1	21,154.6	927	941	1,077
1966	594.8	753.0	22,686.4	964	996	1,133
1967	635.0	792.7	24,154.8	1,024	1,043	1,185
1968	687.2	862.3	25,710.8	1,100	1,124	1,242
1969	702.6	884.1	27,401.4	1,119	1,141	1,305
1970	740.5	930.0	28,033.9	1,181	1,189	1,316
1971	834.5	1,022.9	30,646.1	1,314	1,296	1,421
1972	891.9	1,102.0	34,107.0	1,389	1,388	1,562
1973	976.8	1,227.3	38,335.2	1,498	1,525	1,735
1974	1,141.4	1,444.6	44,568.9	1,724	1,777	1,986
1975*	1,295.0	..	..	1,918	..	..

Sources: Statistics Canada 63-005, 63-517 & 63-519.

Table 30 - RETAIL TRADE BY KIND OF BUSINESS
($'000)

	1972	1973	1974
Combination stores (groceries & meat)	150,176	166,214	206,922
Grocery confectionery & sundries stores	50,873	53,657	60,197
All other food stores	10,368	10,039	11,441
Department stores	69,503	83,827	96,846
General merchandise stores	43,011	46,653	54,525
General stores	25,492	29,305	34,065
Variety stores	39,724	43,490	47,568
Motor vehicle dealers	192,320	208,949	242,502
Used car dealers	X	X	X
Service stations	53,640	60,301	69,582
Garages	10,260	11,043	16,146
Automotive parts & accessories stores	22,853	22,440	27,705
Men's clothing stores	7,451	8,527	9,931
Women's clothing stores	8,624	9,709	12,807
Family clothing stores	11,586	12,841	15,721
Specialty shoe stores	X	X	X
Family shoe stores	4,955	5,439	5,972
Hardware stores	9,922	10,841	12,842
Household furniture stores	16,308	18,443	23,248
Household appliance stores	1,878	2,102	2,150
Furniture, T.V., radio & appliance stores	4,176	4,693	4,333
Pharmacies, patent medicine & cosmetics stores	19,034	21,765	25,299
Book & stationery stores	3,005	3,512	3,998
Florists	2,796	2,954	3,302
Jewellery stores	5,436	6,427	8,914
Sporting goods & accessories stores	5,485	5,802	6,754
Personal accessories stores	3,815	4,005	4,349
All other stores	117,422	121,935	132,123
Total	891,888	976,821	1,141,394

Source: Statistics Canada 63-005.

Table 31 - CONSUMER PRICE INDEX

(1971=100)

Year	Saint John								Canada
	Food	Housing	Clothing	Transportation	Health & Personal Care	Recreation & Reading	Tobacco & Alcohol	All Items	All Items
1965	85.0	87.7	81.8	81.3	79.3	78.5	80.2	84.0	80.5
1966	89.1	88.5	84.5	82.5	82.4	80.4	81.0	86.1	83.5
1967	90.2	90.4	89.7	88.6	87.6	86.5	83.3	88.8	86.5
1968	94.2	92.4	92.8	89.2	89.9	90.6	88.8	92.0	90.0
1969	97.5	95.4	96.4	93.3	94.0	94.7	96.7	95.7	94.1
1970	100.8	98.3	98.1	95.8	98.3	97.8	99.2	98.6	97.2
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	107.9	103.2	103.5	104.0	103.3	106.8	99.9	104.5	104.8
1973	125.2	107.2	109.1	107.4	108.2	112.7	102.4	112.2	112.7
1974	143.2	117.6	114.0	120.2	118.9	120.5	107.6	123.8	125.0
1975	163.6	129.1	119.5	135.6	136.4	135.3	122.6	138.1	138.5

Note: Includes shelter and household operation. Until April 1973, the shelter element of regional cities' housing indexes moved on the basis of changes in rents only. However, from May 1973 on home-ownership has been included in the shelter element of regional cities' housing indexes, so that the Canada and regional cities' shelter indexes now contain the same elements.

Source: Statistics Canada 62-002.

Table 32 - RESTAURANT AND HOTEL RECEIPTS

Year	Restaurants	Traveller Accommodation		Employment Index[1]
		Total	Hotels	(1961=100)
	(thousands of dollars)			
1961	14,361	7,300*	4,244	100.0
1962	15,443	..	4,465	104.8
1963	15,850	..	5,235	106.6
1964	18,221	..	5,566	112.0
1965	19,634	..	6,293	126.9
1966	20,765	12,300*	6,670	148.1
1967	21,543	..	7,181	159.8
1968	22,643	..	7,691	164.3
1969	24,149	15,735	9,342	179.5
1970	24,380	17,699	10,411	184.8
1971	25,756	18,500*	11,000*	199.3
1972	28,005	26,959	14,420	227.6
1973	30,935	33,510	17,690	264.9
1974*	32,544	..	18,500	289.1
1975*	36,549	..	..	298.9

[1]Hotels, motels, restaurants and taverns.
Sources: Statistics Canada 63-011, 63-204 & 72-002.

Table 33 - CHEQUES CASHED IN NEW BRUNSWICK CENTRES

(millions of dollars)

Year	Fredericton	Moncton	Saint John	Total
1961	626	726	1,282	2,634
1962	618	772	1,352	2,742
1963	678	819	1,508	3,005
1964	784	888	1,706	3,378
1965	1,006	1,035	1,835	3,876
1966	1,229	1,075	2,078	4,382
1967	1,485	1,269	2,184	4,938
1968	1,444	1,454	2,136	5,034
1969	1,640	1,656	2,355	5,651
1970	1,738	1,621	2,485	5,844
1971	2,133	1,852	2,903	6,888
1972	2,280	2,220	3,190	7,690
1973	2,809	2,794	3,899	9,502
1974	3,305	3,654	5,212	12,170
1975*	4,630	5,660	6,250	16,540

Sources: Statistics Canada 61-001 & 61-201.

Table 34 - NET GENERATION OF ELECTRICITY

(million K.W.H.)

Year	Utilities	Industry	Total	Per Cent Change
1961	1,339	573	1,912	+ 10.0
1962	1,590	585	2,175	+ 13.8
1963	1,683	627	2,311	+ 6.3
1964	1,908	648	2,556	+ 10.6
1965	2,297	663	2,960	+ 15.8
1966	2,583	637	3,220	+ 8.8
1967	3,045	590	3,635	+ 12.9
1968	3,605	594	4,199	+ 15.5
1969	4,062	643	4,704	+ 12.0
1970	4,481	661	5,142	+ 9.3
1971	5,101	578	5,680	+ 10.5
1972	5,597	673	6,270	+ 10.4
1973	5,600	671	6,271	+ 0.0
1974*	4,972	583	5,554	- 11.4
1975*	4,145	485	4,630	- 16.6

Sources: Statistics Canada 57-001 & 57-202.

Table 35 - NUMBER OF TELEPHONES

(thousands)

Year	Nova Scotia	New Brunswick	Ontario	Canada
1961	184	137	2,422	6,014
1962	195	145	2,529	6,329
1963	203	153	2,644	6,656
1964	213	161	2,764	7,019
1965	224	173	2,925	7,445
1966	232	184	3,100	7,893
1967	248	196	3,278	8,358
1968	260	207	3,467	8,818
1969	273	215	3,669	9,296
1970	284	226	3,848	9,750
1971	300	242	4,043	10,269
1972	328	261	4,349	10,987
1973	353	280	4,588	11,677
1974	381	300	4,858	12,454
1975*	..	321	..	..

Source: Statistics Canada 56-203.

Table 36 - TOTAL MOTOR VEHICLE REGISTRATIONS

Year	Passenger[1]	Commercial	Motorcycles[1]	Total
1965	137,137	35,227	2,064	174,428
1966	144,900	35,301	3,475	183,676
1967	149,723	35,013	3,881	188,617
1968	157,444	37,408	3,554	198,406
1969	156,102	40,448	3,430	199,980
1970	159,307	38,536	3,431	201,274
1971	171,567	41,325	3,818	216,710
1972	185,183	45,257	4,668	235,108
1973	198,671	51,361	6,010	256,042
1974	208,229	58,291	7,653	274,173

[1]Passenger and motorcycles registrations recorded on fiscal year basis after 1970.
Sources: Statistics Canada 53-219 & Department of Provincial Secretary.

Table 37 - PASSENGER VEHICLE REGISTRATIONS

Year	New Brunswick		Nova Scotia		Canada	
	Number	Number per 1,000 Population	Number	Number per 1,000 Population	Number	Number per 1,000 Population
1965	137,137	223	178,389	236	5,279,373	269
1966	144,900	235	174,380	231	5,480,724	274
1967	149,723	241	187,765	247	5,865,738	288
1968	157,444	252	207,477	271	6,159,573	298
1969	156,102	249	232,940	301	6,433,283	306
1970	159,307	254	201,954	258	6,602,176	310
1971	171,567	270	234,011	297	6,967,247	323
1972	185,183	288	229,034	288	7,407,275	339
1973	198,671	305	242,538	301	7,866,084	356
1974	208,229	315	253,521	312	8,472,224	377

Sources: Statistics Canada 53-219 & Department of Provincial Secretary.

Chart 8 - INCOME TAX RETURNS

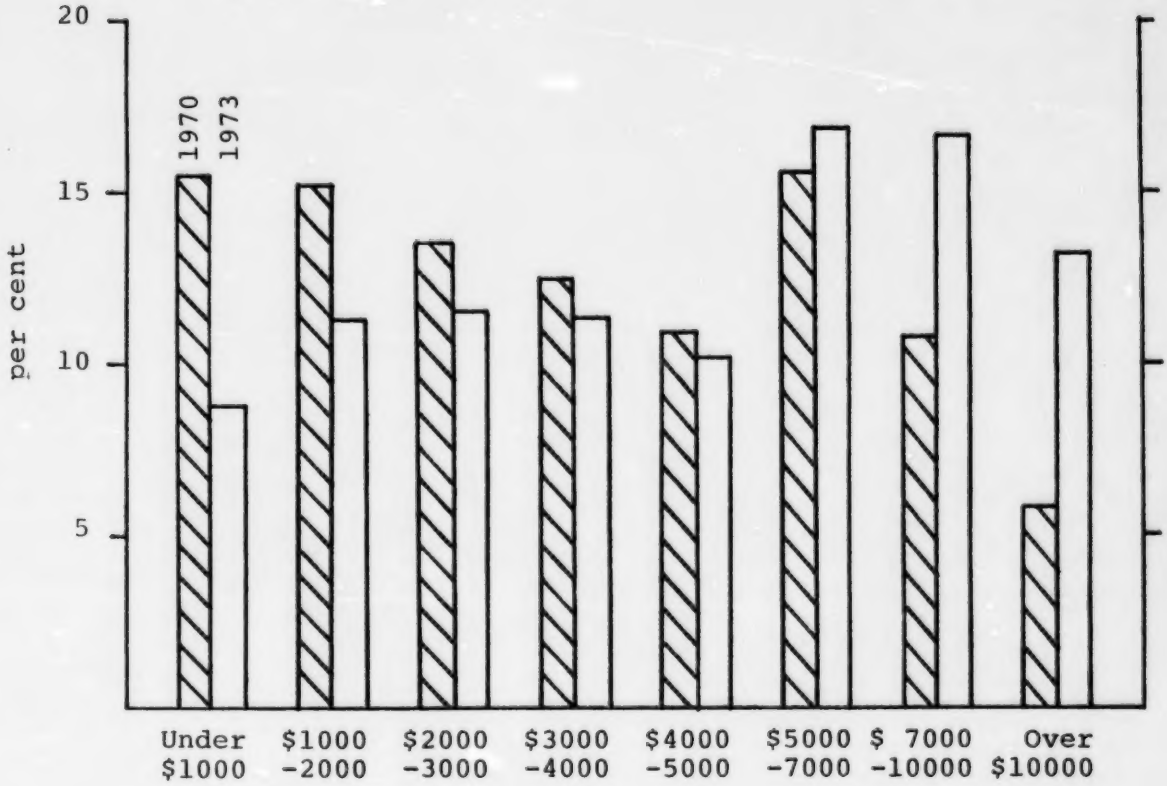

Table 38 - INCOME TAX RETURNS

Income Class	Number of All Returns			
	1970	1971	1972	1973
Under $1,000	35,789	37,028	27,852	24,703
1,000 to 2,000	35,205	37,553	34,992	31,674
2,000 to 3,000	31,551	27,858	31,445	32,464
3,000 to 4,000	28,939	26,545	32,570	31,644
4,000 to 5,000	25,139	24,073	27,793	28,687
5,000 to 7,000	36,032	37,632	43,860	47,165
7,000 to 10,000	24,838	33,692	41,996	46,988
10,000 to 20,000	12,001	16,588	23,283	33,145
20,000 +	1,657	2,063	2,970	4,103
Total	231,151	243,032	266,761	280,573

Source: Taxation Statistics, Department of National Revenue.

Table 39 - RAILWAY FREIGHT TRAFFIC

(thousands of tons)

Year	Loaded Onto Railway Cars In N.B.	Received from U.S. Rail		Total Freight (Initial Haul)	Unloaded from Railway Cars In N.B.	Delivered To U.S. Rail
		To Canadian Points	To U.S. Points			
1965	4,643	97	146	4,886	5,519	322
1966	4,833	69	108	5,010	5,571	263
1967	4,811	57	131	4,999	5,379	306
1968	4,890	33	119	5,042	5,190	268
1969	5,331	45	100	5,476	5,432	300
1970	5,055	203	411	5,669	5,761	305
1971	4,855	185	335	5,375	5,758	271
1972	5,170	168	342	5,680	6,449	285
1973	7,518	171	267	7,956	8,519	321
1974	5,797	220	249	6,265	7,038	324

Source: Statistics Canada 52-205.

Table 40 - SHIPPING CARGO HANDLED
NEW BRUNSWICK PORTS
(thousands of tons)

Year	Coastwise			Foreign		
	Loaded	Unloaded	Total	Loaded	Unloaded	Total
1965	1,222	1,073	2,295	2,577	2,967	5,544
1966	1,089	1,016	2,105	2,561	3,165	5,726
1967	1,111	1,037	2,148	2,060	3,204	5,265
1968	977	1,081	2,058	1,938	3,472	5,411
1969	1,243	1,168	2,411	2,128	3,720	5,849
1970	957	1,006	1,962	2,704	4,001	6,705
1971	1,265	1,086	2,351	2,578	5,211	7,789
1972	1,861	1,289	3,150	3,328	6,393	9,721
1973	2,119	1,113	3,231	3,838	7,734	11,573
1974	2,014	1,427	3,441	2,958	6,196	9,154

Sources: Statistics Canada 54-003, 54-203 & 54-204.

Table 41 - DOMESTIC EXPORTS, NEW BRUNSWICK
(thousands of dollars)

	1972	1973	1974	1975
Live animals	1,335	1,907	1,256	1,182
Food, feed, beverages and tobacco[1]	53,655	65,103	79,242	88,721
Crude materials, inedible	47,861	64,783	99,047	106,177
Fabricated materials, inedible	278,012	364,518	518,350	508,470
End products, inedible	20,281	38,692	27,255	41,291
Special transactions, trade	1,274	671	675	4,378
Total[1]	402,418	535,674	725,825	750,220

[1]Adjusted by the Office of the Economic Advisor to remove shipments of grain through the Port of Saint John.
Source: Statistics Canada 65-002.

Table 42 - AVIATION STATISTICS

Description	Fredericton		Moncton		Saint John	
	1963	1974	1963	1974	1963	1974
Flights:						
Arriving	2,206	4,054	5,269	4,843	3,883	4,609
Departing	2,206	4,054	5,269	4,843	3,883	4,609
Total	4,412	8,108	10,538	9,686	7,766	9,218
Passengers ('000)						
Arriving	78.0	186.1	180.3	170.7	116.8	208.8
Departing	79.7	187.8	181.5	173.2	116.9	208.1
Total	157.7	373.9	361.8	343.9	233.7	416.9
Enplaned	27.1	94.4	61.8	115.2	39.6	106.4
Deplaned	25.4	92.7	60.6	112.7	39.4	107.1
Total	52.5	187.1	122.4	227.9	79.0	313.5
Mail ('000 lbs.):						
Enplaned	82	241	814	1,979	186	578
Deplaned	128	332	754	2,123	187	446
Total	210	573	1,568	4,102	373	1,024
Cargo ('000 lbs.):						
Enplaned	75	504	4,414	7,072	612	1,702
Deplaned	118	1,599	2,030	4,137	600	1,841
Total	193	2,103	6,444	11,209	1,212	3,543

Sources: Statistics Canada 51-004 & 51-203.